



# ***Daily Report—***

## ***Supplement***

# **East Europe**

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# East Europe SUPPLEMENT

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\* Potential for Union of Noncommunist Left  
Assessed

93EP0281A Warsaw POLITYKA in Polish No 23,  
5 Jun 93 p 11

[Article by Ryszard Bugaj, leader of Union of Labor: "Why a Strong Left; Too Soon for Integration; Great Debate Needed"]

[Text] In issue No. 21 of POLITYKA, Piotr Ikonowicz calls leftist groups to unity and the proclamation of a revolutionary alternative platform. He also calls on me, so it is appropriate to respond.

The idea for the Union of Labor was and is a concept for the integration of leftist circles. Four of them formed the Union of Labor: Labor Solidarity, the Democratic Social Movement, the Great Poland Social Democratic Union, and a large part of the Polish Socialist Party [PPS]. The concept did not include the SdRP [Social Democracy of the Polish Republic] because that party emerged more as a coalition of people from the old system of communist rule who sought a place for themselves in the new Poland than as a concept for restoring the left.

A strong left must be built from the bottom up in Poland, in opposition not only to the right (in both its forms, the rightist-liberal and the rightist-traditionalist) but to the communists as well. If one accepts that, one most likely must acknowledge that the new left cannot be built on the foundation of a postcommunist organization, especially because it is not inclined to cut itself off from the past and concentrates many prominent people from the time of the PRL [Polish People's Republic]. I do not believe that building a new Polish left is well served by forgetting about history, which in no way means acceptance of the notion of so-called decommunization. Of course, the SdRP does not threaten democracy, but the description offered by the leadership of that party—we, the democratic left—is an abuse of history.

Perhaps the SdRP will change. Perhaps what it has announced in its platform will be authenticated, and its leadership will change. Then conditions will emerge that will permit another step toward integration, a politically logical step, one that does not disturb ethical standards, for which there should also be a place in politics. But it could be otherwise: The SdRP could become even more the party of nostalgia for the PRL and operate for the long term as a postcommunist party. That is more or less the position of the French Communist Party, and Mr. Leszek Miller seems to me to be a rather good candidate for chairman in the style of Georges Marchais.

Today people with leftist sympathies should, I believe, have a choice of whether they want to support the postcommunist SdRP or the new left the Union of Labor is trying to build.

I think it is not worth speculating today about integration of the postcommunist and post-Solidarity left. Of

course, parliamentary alliances are something else. In parliament, there are hundreds of practical matters to take care of, and one has to seek the support of everyone who can offer support on a given matter.

I think the practical question of Piotr Ikonowicz and the PPS is not integration of the left but whether to move closer to the SdRP or the Union of Labor, although, theoretically, there is a chance for the PPS to seek electoral support independently. In any case, that coming together also assumes agreement on a platform. I do not think that Ikonowicz could, as he did at the OPZZ [All-Polish Trade Unions Agreement] rally in May, by the force of his own persuasiveness, affect a decision of the SLD [Democratic Left Alliance] in a matter such as universal privatization. I think Ikonowicz does not appreciate that the SLD and the SdRP have their support, above all, in the electorate of people pining for the PRL. To them, more important than a platform is the fact that the SdRP is led by figures who were prominent before 1989. That is why the SLD can afford a great deal of flexibility in its actions, without the threat of losing the minimum level of voter support. In the case of the Union of Labor, there would undoubtedly be trouble with certain very revolutionary PPS ideas. In the past, PPS rhetoric directed against any kind of agreement with the Monetary Fund was unacceptable to us. Exotic ideas even turn up in Ikonowicz's text in the last POLITYKA. I am referring to his idea for a common East European currency.

Of course, it is hard to disagree with Piotr Ikonowicz that a great debate on the left is needed. After the fall of communism, it was not so much that history ended as that a new chapter opened, and the ideas of both the left and right must acquire new forms.

In the Union of Labor circle, we publish a modest monthly (PRZEGLAD SPOŁECZNY). We try to take up key matters that arise mainly from the challenges of systemic transformation. That is how we see the debate. But we do not believe that the debate could be based on an exchange of political assertions.

\* Investment in Russian, Other CIS Markets  
Detailed

93EP0279B Poznan WPROST in Polish No 22,  
30 May 93 pp 37-38

[Article by Miroslaw Cielemek: "Trade Business"]

[Text] In post-Soviet markets, the most active investors are: Marek Mikusiewicz, Tadeusz Mackowiak, Marek Profus, Krzysztof Habich, Sergiusz Martyniuk, and Rudolf Skowronski.

"Wokulski was there first" is how the firm Inter Commerce of Warsaw advertises its role in sales of Polish goods in Russia.

"Wokulski would not have a chance now," says Marek Mikuskiewicz, one of the first businessmen attempting to do business in the countries of the former USSR.

Also among the first Polish private enterprises that decided to begin operations beyond our Eastern boundary was Refleks, from Warsaw. The firm has opened offices in the 16 capitals of the former republics of the USSR.

"At the beginning of the 1990's, we were left with a mound of goods that there was no way to sell in Poland. It seemed to us that we could sell everything favorably in the Soviet Union," says Miroslaw Madejski, the firm's head.

Marek Profus also went east with his capital (a network of department stores in Russia, a partnership in the food and meat industries). His initial success is shown by the fact that he bought the soccer team from Voronezh, which is in the first league. Tadeusz Mackowiak, the owner of MT Team Holding Corp., Ltd., of Warsaw, opened offices in St. Petersburg and Kaliningrad (turn-over last year, about 25 billion zloty [Z]). Krzysztof Strykier (DAB Poland) runs four partnerships beyond the Eastern boundary; two are located in Ukraine, one in Moscow, and one in Arkhangelsk. They process and export cellulose.

Marek Mikuskiewicz owns 70 percent of the stock in a bank in Moscow that he founded and a food-processing plant.

In 1992, the Partnership Unique Business Activity exported to Russia goods valued at about \$5 million (including canned goods, meat, and potatoes). It maintains contacts with well-known Russian firms—for example, Prodintorg and Vneshnitor. Rudolf Skowronski's Inter Commerce earns its keep in trade with the East (offices in Moscow and St. Petersburg) as a result of the recession on the Polish market.

Arkadiusz Fenicki has organized a firm, PC-ARK, SA, in the East. PC-ARK-K, located in Kaliningrad, provides work for about 400 seamstresses in a few of the factories located there. Krzysztof Habich's holding company, Przymierze, includes partnerships from China and Hungary and from the countries of the CIS. Habich also owns 50 percent of the stock in the Belarusian holding company Ankor. Jan Czogala of the holding company Agrohansa sells Polish dairy products in Russia. Sergiusz Martyniuk from Bialystok at first carried on trade with Belarus, later began to sell gravestones, and finally began to assemble tractors from Belarus at the former Narwia State Machine Station, where he also formed the Bielnar enterprise (light industry, trade in food goods).

Piotr Guzowski, the director of the Polish Belarusian Chamber of Commerce, estimates that more than 100 firms wholly owned by Poles and more than 300 joint ventures operate in Belarus.

In 1992, Poland exported goods valued at approximately \$1 billion to Belarus.

At the information bank of the Office of the Trade Counsellor in Moscow, there are offers from about 200 Polish enterprises interested in cooperating with Russia (including 20 in agriculture and food, 15 in light industry, five in the timber industry, five in chemicals and pharmaceuticals, 10 in construction and raw materials, 15 in metals, and 15 in trade and services). They are, however, chiefly state and privatized firms that have long done business on the Russian market (for example, Ciech, Bartimpex, and Elektrim). Private firms have not yet made any offers.

Economic cooperation between Poland and Ukraine is also not developing, chiefly as a result of irrational fears by Ukrainians of Polish domination in Ukraine.

Until a few years ago, the Soviet Union was Poland's largest trading partner (28 percent of Polish exports). Now we sell only about 10 percent of our goods in the East.

"Such a rapid resignation from the eastern markets, especially the Russian market, is not economically justified and is not in Poland's national interest," warns Bogdan Partycki, the president of the board of Unique Business Activity. "Which of the foreign partners will stay in the East and which are to be eliminated will be decided in the near future."

"Operations in the former USSR were most profitable from the middle of 1991 to the fall of 1992," Leszek Grudzien of Multico thinks. "Imports of attractive raw materials and semifinished goods, and sales of consumer goods were most profitable."

During that period in Russia and Ukraine, a rigid domestic price level was maintained, a low level of import duties and export obstacles; the approach to foreign-trade operations was also fairly liberal. The range of licensing for exports was less narrow, and there was greater access to the licenses. Later, everything changed.

Recently, Borys Yeltsin publicly criticized the Russian Ministry of Foreign Affairs for its delay in renewing and developing relations with the countries of the former Eastern bloc. Polish entrepreneurs complain most of all about the bureaucracy and the chaos of authority in issuing permits, concessions, and licenses, about the passivity of foreign partners in the face of the officials, about the bureaucratic relations, about the criminal world, and about the instability and the incoherence of the economic regulations.

Russian partners are frequently unreliable.

The rampant hyperinflation in Russia and the other post-Soviet countries prevents rational calculation of any enterprise. The final stage of trade, customs, and the transfer of goods across the border resembles a horror film.

Private firms from the other countries of the former Eastern bloc are also not doing a brisk business in Russia, Belarus, or Ukraine. They are even having more difficulties than Polish entrepreneurs. The Russians, however, prefer contacts with firms from the Czech Republic, Hungary, or Bulgaria because a general climate of resentment has not developed around them there.

"Polish state industry is falling out of the game in the markets of the former USSR almost at its own request," says Leszek Grudzien. "It is not seeking any new forms of cooperation and casts the blame for failure on the government or on so-called objective difficulties."

The Italians, the Germans, the French, and the Americans are filling the vacated places.

"How can we compete with them if, in accordance with Polish law, we can only export \$10,000 from Poland?" asks Tadeusz Mackowiak.

"Polish banks are not interested in loan operations for business in the East; they consider it too risky," says Miroslaw Madejski.

Although interested in business expansion to the East, the Polish Government cannot afford to subsidize promotion on those markets, provide loan guarantees, or insure transactions. The governments of Western countries are doing all of those.

In Poland, there is no institution to assist private firms in making contacts.

The chamber of commerce is just learning to crawl, and the state enterprises are the primary clients of the Offices of Trade Counsel. The heads of private firms say that the Offices of Trade Counsel as now organized are not prepared for new forms of cooperation. They also fear their unreliability and incomplete knowledge of market conditions. The significant costs of promotion or representation by the Offices of Trade Counsel are also an obstacle.

"In spite of its current difficulties, however, Poland finds itself in a privileged position in comparison to the Western countries," Bogdan Partycki thinks. "The common Slavic background makes communication easier. One can attempt to take advantage of the economic contacts from the CEMA period. Geographical location is also a trump card."

"One can do very good business by joining the East and the West," says Arkadiusz Fenicki.

Fenicki's PC-ARK-K uses Russian raw materials to produce clothing in Kaliningrad and then sells it in Germany. Last year, the turnover of the Berlin store of PC-ARK-K was estimated at approximately 3 million German marks. The firm's brains are located in Warsaw.

According to Leszek Grudzien of Multico, the basic advantage of Polish firms is the existing network of

contacts, offices, and representatives. Polish entrepreneurs are also very resistant to the difficulties that occur locally.

Recently, Polish firms have begun to lose their previous advantages on the post-Soviet market. Madejski's Refleks has been forced to close or suspend the operations of its affiliates. Marek Mikuskiewicz has been burned in that market. Other businessmen speak with less optimism of their businesses in the East than last year. The archaic form of barter remains the dominant form of exchange of goods, which, given the transportation problems and the border difficulties, further discourages contacts.

#### \* Growing Difficulties of Fishing Industry Examined

93EP02804 Warsaw ZYCIE GOSPODARCZE in Polish No 22, 30 May 93 p 4

[Unattributed article: "Empty Nets"]

[Text] The Polish fishing fleet did not go out into the oceans until the mid-1950's. Therefore, it has much less experience in that type of fishing than in fishing on the Baltic. But the past 40 years have been enough to allow it to gain some experience there, also. However, the present state of the deep-sea fishing enterprises leads to the sad conclusion that that experience may be disastrous for them.

For years, the only worry the fishermen had was to meet their quota. They fished with no problems on the Northwest Atlantic and on the coasts of Antarctica and West Africa. One record after another was broken. Finally, after achieving the greatest success in history—794,000 tons in 1979—the era of the gradual decline in the gifts of the distant seas began.

#### The Fall of the Open Seas

Since the mid-1980's, many Polish fishing boats have moved to the Northwest Pacific. The international waters of the Bering Sea, where fishing was free, became the home of the hake. In 1988, almost 300,000 tons of fish fell into our nets there. But that is now history. Because of heavy commercial exploitation by the fleets operating there (Japanese, Russian, American, North Korean, Chinese—and, of course, Polish), the Bering Sea fishing grounds have been exhausted. The main culprits of the damage done to the natural resources of that water region, more in their own interest than from any lofty ecological motives, agreed, therefore, to temporarily suspend fishing in the central part of it until 1995.

For the fleets of the countries that signed that agreement, it means that they must move somewhere else. For the Polish deep-sea fishing fleet, that is a very serious blow because it jeopardizes its further existence. There simply is no other place to send our boats. In the first half of the past decade, the coastal fisheries throughout the world, in a 200-mile zone, were appropriated by the countries

that have access to the open sea. So-called strictly economic zones arose, in which the entry of foreign-flag fishing units is dependent upon their purchasing licenses for catches of a closely defined amount (quota) of particular kinds of fish.

For all practical purposes, the only generally accessible fishing region for us now is a narrow band of international waters on the Okhotsk Sea. The policy of the Russian authorities, who control the waters that surround it, is aimed at forcing foreign fleets out of that little fragment, using as their main argument the need to protect the resources of the Okhotsk Sea against overfishing. That is a dubious argument, Polish fisherman say, if only because that miniature fishing ground is surrounded by a huge expanse of economic zone waters. On the other hand, it is true that, due to its accessibility, it is extremely popular, especially for East Asian fishermen. The crush is so great that the number of cases of ships netting their own fish-processing wastes, garbage thrown overboard, and so forth is steadily increasing.

The fact that new fishing grounds must be sought is nothing new. Unfortunately, all we do is talk about it and nothing more. Conferences, analyses, and reviews of the situation have not produced any results, aside from determining that things are bad. The Baltic fishing industry will not fill the gap because it cannot, because it has suffered a big decline itself (see ZYCIE GOSPODARCZE No. 6, 7 February 1993, article titled "Fish Have No Voice.") The situation is getting bleaker and bleaker, while the expectation is, as normally in our country, that it will improve by itself.

The fishing industries are trying on their own to emerge from that oppression—we write about it. But those efforts are wasted if they are not supported, if the government organs do not prepare the ground for them. The expectations take two directions—first, the assurance that there will be as many new fishing grounds in the world as possible. There the role of the Ministry of Transportation and Navigation cannot be overstated, and the Ministry of Foreign Economic Cooperation and the Ministry of Foreign Affairs, as well. The second aspect is the development of the assumptions of a prudent fishing economy, giving deep-sea fisherman an opportunity to escape from the trap set by a wrongly interpreted free-market policy. The main organ to which that is addressed is the Ministry of Finance.

#### Are There No Fishing Grounds?

The dramatic cry "There are no fishing grounds for us" is not completely realistic. However, it is true that there no longer are fishing grounds on which nets can be further stretched without paying compensation to the owners of the 200-mile economic zones. The fishermen have every basis to demand that the officials in the ministries begin negotiations between governments in that matter and then protect Polish interests in the world. There is a great deal to be done in that area.

Also, the statement that we cannot afford to pay fees in foreign economic zones is not defensible. Fishermen employed by "Odra" Fisheries and Fishing Facilities Enterprise in Swinoujscie say: "There are shelves that have practically not been exploited—for example, the Patagonian shelves. Only the small fleets "troll" there. There are Peruvian, Chilean, Argentinian, and Brazilian shelves. Of course, before you cast there, you have to pay. But has anyone conducted an honest analysis as to whether it is worth the cost? No. As soon as the sum of \$200 per ton is mentioned, everyone becomes frightened. We sell a ton of filleted fish for \$1,800-2,000. To get that, we have to pull out about five tons of fish. We can bring the fee down a little by haggling, perhaps paying half in fillets or fish meal. Has anyone ever calculated that with pencil in hand?

There have to be fish on the Argentinian shelf. The Argentines themselves want to clean out the fish stocks because the shoals are bug-infested, and fish become sickly in unexploited fishing grounds. Three or four years of catches and the stocks will recover naturally. But who is supposed to sign intergovernmental contracts? After all, not Odra, Gryf, or Dalmor. We do not believe there is no access to shelves, unless we are talking about Iceland, which lives exclusively off fishing and will not let foreign ships into their waters for any amount of money. But Norway—why not? After all, we "trolled" on the Norwegian Channel and the White Sea, and others are going there, so it can be done. All we have to learn is how much it will cost.

Fishing is not suspended in a vacuum, say the fishermen from Swinoujscie. It operates on the basis of international law, with the law of the sea in the lead. The government should provide a framework of cooperation on the shelves, with the legal entity managing them. It will be the task of the shipowner, with the help of his agents throughout the world, to prepare a specific contract and find a partner to do business with—they say.

#### In Search of a Strategy

There is no doubt that world politics, intermixed with the protection of parochial national interests, as well as the interests of economic communities (see EEC), creates an exceptional juncture of conditions, making it difficult to find a simple modus vivendi for deep-sea Polish fishery.

In addition, that is complicated by the meanderings of our own economy, with all of the characteristic, for it, baggage of problems of the transformation period. In any case, those are phenomena that, naturally, must filter through. Deep-sea fishing, although it has a domestic identity card, for all practical purposes leads economic activity outside the country.

In 1991, the enterprises in that branch sold fish and fish products abroad estimated at \$250 million (last year, it is estimated, it was only \$150 million), which constituted 1.8 percent of Polish export. For a couple of years, it has been earmarking 90-95 percent of its production for

export. But that cannot be attributed to a predilection for demonstrating a foreign-exchange account, or a civic duty to legitimize itself through export—those times have already passed. Economic conditions, mainly expensive turnover credit in our country, force it to do that.

For enterprises with slow capital turnover—and after all, from the time of entry into the sea until the moment the product is sold, many months pass—that is a credit that cannot be absorbed. Under those conditions, turnover on foreign markets was chosen for foreign money and services for foreign clients.

The main sales market is Western Europe (80 percent of export), and Japan is next. Then come Canada and the United States. The unrest this year of fishermen in EEC countries showed that that largest sales market of ours does not appear to be at all safe. Referring to the large growth of import of fish from third countries (and those include Russia, Norway, Iceland, and Poland), at prices clearly below those offered by its own fisherman, the EEC applied minimum import prices late in February of this year on white fish (including cod, haddock, and hake). Those prices are to be in effect until 30 June.

It should be added that 30-40 percent of those fish on the EEC market are imported from precisely those countries. It was they, therefore, that were blamed for the 15-to-30-percent drop in prices. The "fish" war continues. In some measure, the recurring blockades of domestic ports by our own Baltic fishermen are a fragment of that war (at least the reasons for it are identical). It appears that catching the fish is not everything.

In the EEC countries, where, incidentally, the state and the equipment of the fleet greatly exceed its fishing capacity (by approximately 40 percent, it is estimated), the fishing industry receives subsidies for modernization and further expansion of potential, for processing, and for marketing. Therefore, that will be a region increasingly difficult to maintain. France supports its fishermen (although they had to resort to street disturbances), as do the Scandinavian countries. The decisions made this year on minimum prices by the EC Commission can be regarded as a kind of portent that the situation will become further complicated, although there are constant assurances that the market there is free and not constrained by anything.

Polish shipowners, present for years on the most difficult foreign markets, have learned to compete with the best. To this day, the quality of their products and services surpasses those of many renowned Western fishing enterprises, and certainly the Russian and the Korean.

But no one is standing still. Thus, the period of stagnation may turn out to be the beginning of the end for Polish fishermen.

### Three on a Raft

The weak point of all three fishing enterprises—Dalmor, Gryfa, and Odra—is lack of turnover capital. The subsidies and low interest rate bank credits that they benefited from until August 1990 are a matter of history. But forcing them to make a choice between using credit on general terms and sinking appears to be an unacceptable alternative because not only will the shipowners, whose fleet alone is worth 3 trillion zlotys [Z], sink, but also they will take with them an army of people (together with families estimated at 100,000 people) who will lose their jobs.

A system of supplements to the bank credits designated for financing the procurement and storage of fish stocks has been built into this year's budget. The size of the preferential credits for that purpose has been estimated at Z330 million (of which Z80 million is for Baltic fishing and Z250 million for deep-sea fishing). That operation will cost the state treasury approximately Z40 million. (We described the mechanism for improving economic conditions in the fishing branch in the above-mentioned series "Fish Have No Voice," ZYCIE GOS-PODARCZE No. 6).

Furthermore, the shipowners are demanding that supplemental compensation payments be applied to imported fish and fish products or, to put it candidly, higher duties on them. Finally, they expect that the state will formulate policy assumptions on matters of such vital interest to them.

Changes are taking place in the fishing enterprises. They are dividing, transforming, downsizing, and forming companies. There is no lack of reasonable ideas. Fishermen from the Swinoujscie Odra, with whom we talked for a good part of the day, say, for example:

*As a matter of fact, we can imagine a fishing firm operated by a few people. The rest of the work force would be on the sea. It may be that a repair facility is not necessary because the vessels, once they leave, do not return here at all. It may also turn out that 80 percent of the crew from the land facility will not find employment. Let us also imagine that maintenance of a permanent fishing crew ceases to be necessary. For example, in the Netherlands, fisherman are recruited for specific trips. They walk off one deck and sign on to another fishing vessel. All of that could be done here but to do it takes time, a change in mentality, a style of work, another system of remuneration. Will we be allowed to survive until such changes are made, or will the sick economy sink the firm first?*

**Federal****\* Lilic Interviewed on Current Issues**

AU2806182893 Belgrade RTB Television Network in Serbo-Croatian 2017 GMT 27 Jun 93

[Interview with FRY President Zoran Lilic by Milica Ostojic-Pusara in the Belgrade Television studio; date not given—recorded]

[Text] [Ostojic-Pusara] So far, you have held the post of chairman of the National Assembly of the Republic of Yugoslavia. If I am not mistaken, we met in this very same studio five months ago. Now you have been put forward as the FRY president by the club of deputies of the Socialist Party of Serbia [SPS], with the support of the Serbian Radical Party and the Democratic Party of Socialists of Montenegro. In the explanation by the SPS club of deputies, it is stated, among other things, that you have so far conscientiously performed all the tasks in all the posts entrusted to you. This naturally also includes the post of Serbian Assembly chairman. Could you perhaps summarize the past five months? [Lilic] First of all, allow me to greet all the FRY citizens and those who have it in their hearts, regardless of whether they are on our territories or not. I would also like to greet all the employees of the Radio and Television Serbia. Regarding my work in the National Assembly of Serbia, I believe that only in the future will one be in a position to pass a true judgment on it, although there have already been various assessments. The only thing that we will all manage to agree on is that they function in truly difficult, extremely difficult, times in which, perhaps, many people tried to play politics rather than discuss the true issues. My desire was, and still is, and I will strive in this post as much as possible to influence discussions in the FRY Assembly—and I suggest that this also be done in the republic parliaments—to primarily concern mundane yet essential issues that so often have such a strong influence on the life of all our citizens and which should really dominate over the political issues. Time will show to what degree I have actually succeeded in this. My desire was that, in a tolerant spirit—although there are assessments that it has not always been quite that way—in an atmosphere that should primarily acknowledge the difference of opinions as well as the will of the majority, that we reach a joint goal that should be a step toward something better for all of our citizens—at that time, for the citizens of the Republic of Serbia, but in this new position, for all the citizens of the FRY—that is, for the citizens of Montenegro, too. I hope that we will succeed in this if there is at least a minimum of consensus, which I tried to achieve in the National Assembly of Serbia. I truly do not know whether I succeeded or not. I would like to hope, at least, that the return of some opposition deputies to the parliament means that we agreed that the parliament is the only right place to resolve all the problems that have accumulated, either in a clash of our programs or our ideas; we must work like this because it is for them that we are there, and in order to integrate this knowledge toward

what is called improvement to find a solution for our population and primarily because of them. [sentence as heard] At the end of the day, we have arrived here by their will. [Ostojic-Pusara] When you were elected Assembly chairman five months ago, well-intentioned people said that a man without the burden of the past came to the post. This naturally also refers to this appointment and this post. In five months, you have not earned it. [sentence as heard] Does this mean that such a personality could be more radical in his proposals, assessments, and demands? Well, you will agree with me that one of the most famous Latin proverbs—with all due respect for their Latin wisdom and shrewdness—that history is the teacher of the past, a teacher in general—that is, history is the teacher of life. However, it is my opinion—and I do not know whether everybody will agree with me, although I would like them to—that we should cherish our cultural tradition and all other traditions and draw all lessons from history, but it is my belief and motto that we must turn to the future and do everything with a view to pulling out of the past everything that we can use to move forward. A brilliant book entitled *The Time of Discontinuity* by Peter Drucker says that we must never ask ourselves what tomorrow is going to be like; we must do everything today in order to be able to really experience tomorrow. That is perhaps at least a partial response to your question on my view of the relation between the past, present, and future. What I would like to say and thereby in a way formulate my response to your question—and this response may last a little longer—in any case, we will have time later to shorten that. [Ostojic-Pusara] Please do. This is why you are here after all. [Lilic] The policy that the FRY president implements and should implement is not and should not be any kind of special policy. I do not think that it can be the policy of the FRY president. It must, above all, be a part of all political activities on this territory of ours that are in accordance with the policies of the Republic of Serbia, the Republic of Montenegro, and of course, the federal state. It must be in accordance with my constitutional obligations and the existing laws and must by no means neglect them. It must by no means be a specific and my (?special) policy. What I would like to achieve—and I think that if we achieve it all together, we shall take a major step forward—is to reach at least a minimal consensus regarding key state interests. I spoke a little about them on that day when I was promoted, since these were not direct elections but elections at the Federal Assembly by Federal deputies when I was given confidence as the FRY president. Above all, I think that we should try to preserve peace in these regions. I do not think that there is anything more valuable than working toward realizing peace on the territory of the former Yugoslavia, even in a much more active and better-argued way. The world must realize the truth—we are persistently trying to convey it, and I think that we are on the right road of achieving that. Unfortunately, we as the Republic of Serbia, or the Republic of Montenegro, or the FRY did not manage within a long-lasting peace process to avoid war activities that took place through

other people's will and which brought about many innocent victims, horrible destructions, and a horrible material loss that would probably have certain consequences even after many years when—and I deeply believe in this—we establish a peace process that must be a prerequisite for something else that I think should represent one of the key national interests—solving the accumulated economic problems in the country. Let me for a moment go back to achieving peace [pauses] to implementing further peace processes and reaching that desired aim we call peace. I think that what is happening now is good and that it is good that this peace will not be detrimental to the Serbian people living outside the FRY borders. What is also important is that it must be in the interest of the entire Serbian and Montenegrin people and all FRY citizens. I think that this will be something that we all must strive for and which, I deeply believe, is not so far from reality. Regarding the solving of accumulated economic problems in the country, as you know, I used to work in the economic sphere for a long time, and that position enabled me to have a specific and considerably different insight into what is happening in our country at the moment and, of course, to know about all economic events. We must view all problems both in the micro and macro plane. Malicious people will probably say that the state should not be identified with an enterprise no matter what its size is, but I think that the order existing in an enterprise, the activities necessary for that enterprise to be able to function, and the time needed to make decisions crucial for the work of the enterprise, may be compared with the functioning of a state to a certain extent, particularly regarding the costs of such a huge apparatus, and the inefficiency that I would simply call the bureaucratic apparatus still existing in our administration. It will certainly be one of my obligations to make this apparatus and some other institutions that considerably burden our state (?regarding cost) much more economical. What is unsatisfactory is that—if I may be so bold as to say so, even if someone does not like it, even if it hurts someone, because unfortunately times are such that we, including I, must be extremely realistic—we have an increase in so-called nonproductive expenditures, while at the same time we have a decrease in the social product. Therefore, we will all have to carry the burden of these sanctions to a significant degree, or as much as possible. I am not a demagogue, and with some kind of specialization in production, which we will have in the following days and following months, along with a different policy of industrial development, and with the stimulation of those branches which really do have something to do and can do it, we will have to use the labor of functioning firms to secure enough funds and goods to service those structures, economic branches, and employees that cannot function in these conditions. I think this is a significant assignment, which all three governments will have to discuss seriously in the near future. However, I would like to add that it should make one happy, and it does make me happy personally, that we have achieved a level of cooperation between our governments. What is extremely important is that the activities that we are

going to implement are maximally synchronized and that in an atmosphere of mutual trust, without the fear that someone else will do something that is outside our agreements, we will be able to secure for our citizens the minimum that is necessary to overcome the sanctions. A third thing is something I would certainly stress as being one of the crucial interests, and that is primarily the struggle for the easing and total suspension of the sanctions. I think that this is one of our most important tasks, and I believe that in the situation we are in currently we do not need to discuss further how they were imposed, whether they are justified, unjustified, or inhuman. I think that this is something that has really never been seen before in these areas [Lilic is interrupted by the interviewer] [Ostojic-Pusara] We will discuss this in the course of the program. [Lilic] I would just want to add a fourth thing, which I certainly consider to be the most important thing, and that is the protection of the integrity and sovereignty of our country, its security, and the functioning of it as a civic state. I believe that when I say the functioning of it as a civic state, we can compare this to the national interest and we must guarantee our citizens absolute protection and absolute freedom, so that in such an atmosphere, with such activities, I believe we really do have a chance and I am an eternal optimist. With a lot of work and a lot of knowledge, I believe we will achieve some kind of goal. To put it precisely, if you will allow me to sum all this up and to answer your question, when my radicalism is the issue it can only be present in the fact that first of all, as an individual, second as someone who has come from the economic field where the law of superiority on the market rules. I really believe that we must do a lot of work, be a lot more realistic, and to prepare for what will come tomorrow. I will tell you an anecdote. I said a while ago that I would do so in the course of the program, but I did not tell it, but it can be very educational. After a plane crash, two businessmen were lucky enough to have parachutes, so they were able to land without too much trouble. There were no accidents, and they landed in a savanna. Suddenly, a lion appeared before them who was obviously very, very excited and very, very hungry. One of the two immediately reached for his gym bag instead of the elegant shoes he had been wearing, having been on his way to a very important business meeting. The other man asked him whether he thought that he would be able to escape the lion, that he would be faster than the lion. No, said the other, but I think I will be faster than you. Therefore, I think that this is educational enough and that it expresses everything I wanted to say. We have to prepare so that tomorrow we can be faster than others on the truly cruel international market, at the truly cruel international market place [pijaca]. We must do everything to restore Yugoslavia to its rightful place, where it objectively used to be, and I am sure that both the citizens of Montenegro and the citizens of the Republic of Serbia will do so with the maximal engagement of those whom they have chosen and whom they trust to lead this country. [Ostojic-Pusara] Thank you. When I mentioned radicalism, therefore, your possible radicalism, I was of course thinking that you are not yet 40

years old, and that, like someone recently wrote in the press, a generation of practical intellectuals is rising to power, a generation of politicians in jeans. Please take this with reserve, you are always elegantly attired. This radicalism of course, understands that in parliaments, you spoke about Montenegro, Serbia, and about this necessary accord when it comes to solving big and vital problems for this country. [sentence as heard] Maybe we should talk about the extent to which politics is dominant in parliaments, both republic and federal, and to what extent economics should become what politics has been so far. Politics should make room for economics and the solving of problems in the field of production. [Lilic] Well, I fit into this mold exactly. If this is the radicalism you have in mind, then I am this type of person, yes. [Ostojic-Pusara] You are a man who was a very successful manager and coordinator in production, we know that, it was a Rakovica [Serbian town where Lilic worked] record. [Lilic] That is what they say, we will see. [Ostojic-Pusara] Yes, others say so. Therefore [interviewer is interrupted by Lilic] [Lilic] [laughs] I am joking. Yes, let us not mention those times. Those times are very precious to me, and I think back to those days with nostalgia. I believe that those days are a time, a path, which everyone should go through. They might then differently measure certain values that may be sometimes so abstract to politicians that they take a different view of them. [Ostojic-Pusara] Let me say this, if it is wise that you have gone the route from apple-picker and gooseberry-picker at a time when you graduated from college, got married, and did not have a job, this means that you have every right to call on people to work at jobs for which they were not educated. But anyone can pick apples and gooseberries, right? [Lilic] That is true, sure. I explained to you a while ago when we were speaking before the program why I did this. I think this is an additional experience, very precious, for me at least. I met a lot of wonderful people, made significant friends, and gained life experience, which, as you can see, can be found even on apple plantations, maybe not on the international scene. This is primarily what is held against us, that the international public is not well acquainted with us. I think that this is a time that will show something else. Let me speak about the economy. I believe that the economy is a condition, or if you like, a precondition for everything, and if we win this battle. [sentence as heard] Not only am I convinced, but I am certain that it is our greatest enemy on the territory of the Federal Republic of Yugoslavia. The situation we are in has been forced on us from outside, but it is now present and it is precisely this economic situation that exceptionally affects our citizens. We must overcome it. I think [pauses] since your question was why the Assembly does not concern itself with the economy more than with political issues, well, perhaps someone wants us to deal more with political issues. However, I think that we have to keep in mind that the republics' Constitutions and the FRY Constitution, as well as the regulations, oblige the deputies to discuss all the issues that are within their authority and from all spheres of life. But the thing I would like to say is that the previous period, the last

couple of months, has probably changed some things considerably, particularly this last week, [laughs] with the exception of this last week, which was as it was, when the nomination of the new president of the state was discussed, including that of the chairman of the Chamber of Citizens, and so on. I think that it is a step forward in the economy. I was a deputy in the last assembly, in 1990. I was really revolted because there was not more discussion about economic issues. I even took the floor once to say that I would walk out of the Serbian Assembly unless such topics were put on the agenda. I think that the situation is significantly different now—the war on the territory of the former Yugoslavia is letting up, the peace we have spoken about is closer, and the conditions for the alleviating of the sanctions are there—all this will contribute to economic issues, issues from everyday life reaching the agenda. What makes me happy is that we have recently passed the law on, for example, the bank of Yugoslavia, that other laws have been prepared, that the law on companies is being prepared, and so we are going in the direction where, I use the term more life instead of more economics will be in the assembly procedure. I am convinced that all deputies will understand that the only thing the people can live on are new products. We have to create conditions for a better life for all our subjects. These economic topics have to be turned into legal projects, and thus the general political and economic environment will be created. I think we will have to forget the time when politics created the economy and turn to some other reality. Whether we want it or not, it will happen to us—the economy will create politics and it is the only thing we should really turn to, where everyone, of course, has to do his bit. Politicians and diplomats should do their bit, and the Assembly should create laws as they should be. We cannot speak of a market economy, but we can speak of an economy that can stimulate those who can work and those who can produce, and I have already said why—because that is where we can get some goods and can service the needs of those who cannot work. I do not think it is right to speak about a mass dismissal of workers, creating more social tension, and so on, under these circumstances. The state is obliged to provide, and it has to provide the so-called existential minimum, but it is also the duty of all of us to help the state within our means by doing our share. Of course, that means each of us individually. [Ostojic-Pusara] In your inaugural address after being sworn in, you agreed with the program of the Federal Government that was recently passed. Now, this program is supposed to be realized. [Lilic] I have said something about it already. I think it is really necessary, and I am not speaking of any individual ministry or program, but I think that all three governments must synchronize their activities competently and expertly. They should not wait. There is no more time for waiting. Time has absolutely run out when it comes to the economy. They should all act in a synchronized manner with this package of measures, everyone in his own field of activity and all those things that were presented in the Federal Assembly and what Prime Minister Kontic said and what Serbian Prime Minister

Nikola Sainovic presented in the republic assembly, all these things have to be implemented. I really think there is no more time to talk about whether a new package of measures is needed or whether inflation should be reduced. We are in the worst inflation spiral. I believe that the economists, and if I make a mistake, they will forgive me, since I am not an economist, for this (?inflation pause) when there is no production, while the [level of] consumption is the same or even greater. [sentence as heard] This inevitably leads to the complete disintegration of the economic system, if we can call this an economic system. Therefore, a whole combination of measures must be implemented when it comes to the harvest, and all those tasks that follow, which all have priority. When it comes to the primary issuing of currency, which I can freely call a dangerous medicine for a dangerous disease—if there is an overdose where there should not be, then you know what becomes of the patient. So the primary currency issue must be used for the stimulation of those branches of the economy and fields in this region that can produce. We should most certainly not use it for speculation, for the foreign currency black market, which unfortunately exists in the country, for private income, which also exists. And the most important thing is that the sanctions are horrible, and the embargo is horrible, but it cannot serve as a justification to the government, to bad managers—I am using a more straightforward word, and maybe some will not like it, but there it is—to hide behind the embargo and the sanctions. It is impossible to say that all the problems have resulted from the sanctions and the embargo. [Ostojic-Pusara] It is now evident that they did not result from the sanctions. The sanctions only helped. [Lilic] I am convinced that, in a better organization with much more work and effort, we could probably increase our production by some 20 to 30 percent, as is shown by some of our calculations. I think that this could be done, but that the move by the three governments is missing, the move that has been indicated in a way by the addresses made by our prime ministers. [Ostojic-Pusara] When you mention [Lilic interrupts] [Lilic] Remind me of that when we start talking about [Ostojic-Pusara interrupts] [Ostojic-Pusara] You mention three governments and the minimum level of necessary accord. You do not belong to that rank of politicians, and you are not a politician who attended a political school of the kind we had in the days of [Josip] Broz [Tito], which were strictly directed in a certain direction. You belong to the kind of people who learned about politics through the production process or in the everyday political processes. When you mention the minimum of accord, there is a theory, you know, on the relation between Serbia, Montenegro, the FRY; I think that the centuries-old accord that exists between the people of Serbia and Montenegro could never be affected by politicians. This accord exists now not because of the politicians but because of the people. I would simply like you to say a few words about this integration of necessary wisdom, your wisdom—as you are the first man of the country—to ensure that the Serbs and Montenegrins—that is,

Serbia and Montenegro—remain in accord. [Lilic] Perhaps I can comment on what you have just said concerning my status in the Socialist Party of Serbia (SPS), so... [Ostojic-Pusara, interrupting] Of course, by all means, do. [Lilic] ...that we can go back to the question—that is, two questions in one... [Ostojic-Pusara, interrupting] If I can say another thing, you are considered a man who belongs to a more liberal so-called wing of the SPS. What does that mean? Is that true? [Lilic] As the president of Yugoslavia, I would not like to comment particularly on the situation and events in the party that I belong to. The mere fact that at the time I committed myself to the party to which I still belong, the SPS, speaks for itself, and that I chose democratic socialism for my basic political commitment, and that I thus share the political views of a large number of people in our country, regardless of whether somebody agrees with me or not, I am convinced that this is so both in our country and in the world, where parties of a similar orientation are in power. [sentence as heard] I think this speaks for itself. What I would like to say is that, as I have always stressed, I am not inclined and I have never—at least that is my opinion, whether I am right or not, time will show—dealt with the theory, [word indistinct] reduced it to, until being appointed Assembly chairman in (?Pavlica). I really believe that this is my main advantage, which is what we have already spoken about. I would like to draw a parallel between a factory and a state. We started a minute ago but we then stopped. One really well-known—one of the best-known—experts when it comes to international marketing, (?Teodor Levit) once said something like this—I think that it will provide the answer to the question you asked, which is really complex when it comes to the internal relations... [Ostojic-Pusara, interrupting] Interests that dictate the accord, yes. [Lilic] ...on our internal political scene that is dictated by various policies and parties... [Ostojic-Pusara, interrupting] or a variety [laughs] [Lilic] ...or a variety, yes, we can use any expression you like. So (?Teodor Levit) said, and I will use one of the [word indistinct] as the synonym for something that we will explain later, he wrote the following in a study about a general manager: He says something like, the general manager must know exactly what he should achieve, but the organization he heads must also view this aim with enthusiasm. This is the first precondition of managing, since if he does not know what he wants to achieve, he can choose any odd way but if his roads are all equally adequate, in that case the general manager can simply pack his bags and, as I like to say, go fishing, or if he knows which way while his associates do not want to follow that road or do not believe the common aim, an aim that should be common, then there probably will be no result again. I think that this is a great truth, at least I have been convinced it is over all these years, and it cannot count for companies alone. I think it can apply to the state as well, and by using my experience, I said in my speech in the Federal Assembly that it was important that we know what we want, that we know how to get it, and that we have the potential for that, and that this is the essence that will enable us to be optimistic about the

future, with one really necessary minimum of political consensus, at least when it comes to the four key aims I have just spoken about. [sentence as heard] Therefore, if there is no accord between all the competent political parties in this region of ours—we know there are very many of them but not so many parliamentary parties—and I think that this minimum of accord is absolutely necessary, both among the parties in the Republic of Montenegro and the Republic of Serbia and, if you wish, outside our borders, which can influence the events in our region, then it will be very hard to achieve the aims we have spoken about. I am convinced, and you have also expressed it very well, that the leaderships of our two republics—and if you like, the leaderships at the level of the federal state as well, were not the strongest or most important, or the sole factor of cohesion. They could improve the relations between our peoples, between our citizens, but what is most important, as you said yourself, is that there is a joint consciousness, that there are joint interests, and that too many things have been connecting us throughout our history and tradition of many years for the leaderships to manage—whatever aims some politicians may have—to split our two peoples and create such an atmosphere that could eventually lead to something that I really think cannot happen. I think that this Yugoslavia has a future. The 1992 Constitution gave it room, but it did not create a new state. We have not created a new state but merely reorganized the existing state the way the nations and the citizens of the Republic of Serbia and the Republic of Montenegro have wished, currently wish, and will continue to wish, I hope. What is most important and should be emphasized here, and why not, is that a place has been left for all those who want to live in our common state, for those who wish it well and who through their work want to contribute toward its better and faster prosperity and development and who wish to... [pauses] The generations that are coming—I believe that this is one of our major obligations regardless of the fact that sometimes we cannot or will not acknowledge it—should and must live similarly to their peers in some other countries. This is a holy goal that we must realize. [Ostojic-Pusara] You are, naturally, referring to the people who with their wisdom demonstrate that they do not have a surrogate motherland. You will also need a lot of wisdom to reconcile various interests of individual parties that you have mentioned. It appears that there are different interests, naturally, as a result of different goals? [Lilic] I believe that you will agree with me that as regards peace, there are no differing interests. Regarding economic revival; well, not exactly revival but a shift, a step forward in our economy from where it is at the moment, all raw and worthless. I also believe that there should not be any differing interests. Regarding the sovereignty and integrity of our entire territory and the FRY in general, I really would not like to believe that different interests exist. Therefore, I think that we must agree on this. Also regarding what I have said I consider the national interest—namely, the creation of a law-governed state—there should not be different interests either. If we embrace this as the minimum on which we must agree

then all other political discrepancies and differences can be resolved through parliamentary struggle, in the assembly where all these parties are represented. I, therefore, believe that regardless of my age and possible problems, with a truly good cooperation with the presidents of both republics, the prime ministers of the governments, the parliaments of the Republic of Montenegro and the Republic of Serbia, with the Federal Parliament, not only that we can, but we must and it is our obligation to accomplish the four goals that I have spoken of. Everything else should be a matter of the struggle of arguments and various political opinions, and why not. Everybody has the right to different opinions and to say what he thinks. Here, I would like to add what I often said in the assembly, that everybody also has the obligation to think of what he is saying and doing. [Ostojic-Pusara] Let us digress to the international sphere. You have already mentioned sanctions. However, the fact is that this collapse of the economy did not take place with the arrival of the embargo, that is, the sanctions. Unfortunately, certain disturbances took place much earlier and the sanctions merely contributed toward the state in which we are now. The experiences of other countries suggest that sanctions might not be lifted for many years to come. However, some initiatives from our side might perhaps bear fruit. One of them, for example, is the visit of our foreign minister Mr. Jovanovic to Moscow, where he proposed a moratorium on sanctions for the duration of the negotiations on the resolution of the conflict on the territory of former Bosnia-Herzegovina. Let us also talk a little about the activities of you, as the first man in the FRY, in the international sphere and further role of Yugoslavia in the talks? [Lilic] I have already said earlier when we discussed the possible tasks and moves of the FRY president... [Ostojic-Pusara, interrupting] Within the limits of his authority? [Lilic] Yes, that is so, that he cannot and does not have the right to pursue a policy of his own. However, it is definite that he should and must contribute significantly, inasmuch as his objective capacities and possibilities stretch, that the presently agreed joint policy which is the only reasonable one at this moment—that is, the policy of peace and further negotiations—be realized. I believe that what Mr. Jovanovic, minister and vice premier in the Federal Government, is doing in Russia currently—what we have received as a sort of guarantee from Russia—represents a truly important step in the change of opinions. I believe that Mr. Kozyrev has clearly stated this, too, and I sincerely hope that we are striding with large steps toward the resolution of our problems. [Ostojic-Pusara] The fact is that there are some initiatives by our neighbors, for example... [pauses] I mean, there are initiatives, but are they bearing any fruit? For example, Greece. We read in the papers that Bulgaria insists on being granted transit permission through Serbia. It is us who are under blockade but some of our neighbors are experiencing considerably and drastically this blockade of ours. The sanctions are hampering the functioning of the peaceful countries. I am, primarily, referring to the economic life [Lilic] I think that there is nothing illogical in your

question and that we may even consider it to be an assertion: Inasmuch as damage has been done to the Republic of Serbia and the Republic of Montenegro, as well as the Federal Republic of Yugoslavia as a whole, I think that no less damage has been done to our neighbors who have to suffer the consequences of the fact that we are subjected to sanctions and such a harsh embargo. We have not taken any reciprocal measures, and we have not prevented nor hampered everything that we might have. I think this is really good. We tried above all to use the truth as much as possible to prove to the world that we have been carrying out a really correct policy. It is very gratifying—despite consequences we will surely feel for many years to come, as you said—that there is a change of stance in international public opinion that a civil war is nevertheless involved, a war imposed from a different side and in which we have not been participating actively. Just the same, it is very gratifying to see that Greece, Bulgaria, and other neighboring countries are making efforts because I think they now have to think about their economy and their citizens, and I believe this is another road leading to the same aim—solving this complicated Balkan crisis. I have said in the past and I think I can repeat it now, that as much as we are going to be damaged here, they are going to have even greater damage. It should by no means be, and must not be Europe's goal to have in the heart of Europe a country that is going to be behind economically and in other senses, for several years. I think that this should not be somebody's aim in a civilized world and that everybody, together with us, will have to make an effort with a view to preventing that syndrome from spreading over onto their territory. And they are very close. [Ostojic-Pusara] This conflict in the Balkans and the destabilization of the Balkans is not based on political conflicts alone, but [Lilic interrupts] [Lilic] Absolutely. Absolutely. After all, I think that everything did begin—this is my opinion, of course—due to economic reasons and had an economic background with a view to achieving political goals. You see, it is obvious that these measures affected our citizens very seriously, but it is also obvious that our neighbors insist on using both our roads and our airspace and everything else that makes it possible for them to work more economically, and perhaps turned a better profit where their interests are concerned. Since an interest can never be one-sided—I think that one should seek additional solutions in that regard—I also believe that here we are not far from some significant progress and that we will very soon find ourselves in a situation where we will be, if not without sanctions, then with sanctions in a considerably milder form, and therefore make this necessary step. I think we really need only one step to realize that everything derives from work and knowledge, along with really sound bilateral cooperation and any other kind of cooperation with our neighbors. Our neighbors must realize that as well. [Ostojic-Pusara] A group of foreign journalists completed their visit to our country yesterday. If you have been following reports on this visit, you know that there have been statements to the effect that we have perhaps failed in the sphere of information and that they have come in order to serve as

missionaries of the truth about what is happening in the territory of the former Yugoslavia. Therefore, our initiative is still really very necessary in this sphere. [Lilic] Well, I do not know—you certainly know that better than I do—I do not know whether it was we who failed in the sphere of information or it was some better information media, above all the world media and even some of our media, who carried information in the way they wanted to, even misinformation. Some situations that were completely clear and unambiguous showed what happened in Sarajevo and other regions. The situations were simply distorted and presented as a consequence of the behavior of Serbian and Montenegrin officials, and such like. I think that activity in the information sphere is as important as any other political activity, if not even more important, and that we must do much more in that sphere, above all in our approach to the events, to informing the world and the international public, and in persistently proving to them that we are right. Because it is impossible for Europe to be able to welcome and accept the secessionist behavior of four of our former republics and at the same time withdraw the right, the legitimate right of a people to self-determination which has been guaranteed to it by the UN Charter and all positive international acts and the Hague Document, and the Paris Charter, not to mention all of them. I think that Europe has then become frightened of the possible secessionism on its own territories and that the key mistake was made then in using the media above all. [Ostojic-Pusara] That is so. [Lilic] You know that a lie repeated a thousand times becomes the truth and now we are going to have a lot of problems trying to prove that the Serbian people have never been genocidal, that they have never had any expansionist pretensions, that they are certainly not an aggressor, that they are simply defending their rights, and we have had to support and justify that struggle, that struggle for survival, the right to what belongs to us. I think we have had no choice but to take the path we have taken. It is impossible to leave members of one's own nation in the lurch. I do not think that a single FRY citizen, who—I like to use this expression—has it in his heart, would have forgiven the official policy. [Ostojic-Pusara] The mechanism of the powers, the system of trial and error [pauses] We have heard these days some pleasant sounds coming from those very same representatives of the Twelve who were in such a hurry to recognize the Slovene, Croatian, and Bosnian secessions. Now they say that this contributed to the civil war in Bosnia-Herzegovina. [Lilic] Unfortunately, they have confirmed much, much later what we have been saying all along, after many victims, after much destruction. It will be good if they try to correct their mistakes in the coming negotiations. We will see. [Ostojic-Pusara] Mr. President, even though you have been president for only two days, let us say at the end of this conversation... [pauses] that is, let us tell our viewers about the priority tasks you are going to deal with. What is expected of you now, when are we going to experience some progress? We will probably live better, we expect the sanctions to be lifted, at least from the things that endanger our physical

survival. [Lilic] When I spoke about the four key national questions at the moment, that is for me the national interest even though I spoke of peace and economy, and the (?identity) of the country, the rule of law, all that, I would add another very important task, even though I think this one will be the easiest—it is the unity in the FRY. There are those who find our community an obstruction, but I think that we all have to fight them together, defeat them. What must be stressed—and you have said yourself that the Serbian and Montenegrin people have not been connected throughout history by the leaderships, and you have put it very nicely and correctly—is that there is a spiritual closeness, a common fate and ties. When things are put that way, then I am convinced that there should be no fear for the future of this community, with the solution to those four key questions that I have mentioned. Peace and the lifting of the sanctions are the most important ones, of course. I will personally always take into account that the FRY was created out of a joint interest and need of our peoples and the citizens of Montenegro and Serbia, and that it is open to all those who want to live in it, so you can see that this is one of the tasks facing the present and, I hope, future presidents of the FRY. I think that Montenegro and Serbia as state-members of the FRY—I think that is the answer to your question—and the political forces within them that gained the people's confidence in the elections, really have a lot of responsibility, and I am convinced that they will have the capability, readiness, and tolerance—including me, of course, who has been entrusted to lead the federal state—to build this federal state on the principles of mutual respect and tolerance. I think that all the suspicions expressed about it being a (?party) state are really misplaced. The future will be the only true indicator of our work, and probably the correct judge, but it is also the duty of all those harboring such doubts to do their share with accountability—and probably gathered around those goals I have spoken about, with as much criticism as is permitted and can only be useful to myself and others in public functions—I think that in such an atmosphere of joint labor, tolerance, and understanding, and with a common aim, we have nothing to fear, regardless of all the present difficulties. I would like to stress in the end that unless we understand that only work, hard work, really hard work, and knowledge—which we do have, if I can use the word, maybe it is not the most adequate one, but which we do have in large quantities—maybe it is not distributed well, maybe in a way everyone is still arguing about things we should not argue about. If we manage to unite that into one [word indistinct] that would lead toward the same goal, I think that, regardless of the political commitment, regardless of party membership, if our aim is improvement for our citizens and our republic, I believe that we will reach this aim, and I believe it is really not that far, just as I believe that we are on the verge of achieving peace. I do not believe that there is anything or anyone to keep us from that. What I would really like to stress, and I have already said it in my address to the Federal Assembly, is that there simply must be a legal state in this region of

ours, in order for us to achieve all those things we have spoken about, and that no one should be exempt from it. Everyone who has broken the law has to answer for it in front of these citizens, our citizens, and has to respect the will of the majority that as presented and respected in all the democratic countries in the world. If our mouths are really so full of the word: Democracy—and I do not think that someone is a democrat by birth, or that someone is a democrat just because he belongs to a party carrying such a prefix, a democrat is someone who, regardless of his commitment, can and has to respect the will of the majority that has the right in these hard times, of course including the respect for the minority, to reach some common aim, some common step. This step should make the coming time easier for our citizens. I keep telling our citizens to establish the conditions for the time that is coming, not because we want to escape the lion I mentioned, but to be quicker in the world market. I think that no one has the right to take our rights away in all those institutions of which we have been a part. The international community will finally have to accept and recognize that. [Ostojic-Pusara] Thank you very much for being tonight in the homes of the citizens throughout Yugoslavia, and not only Yugoslavia, but also citizens throughout the world. I am sure they would love to hear and see you again in a few months time, as we would here in television. [Lilic] Thank you. I can promise you that. If I am in a position to be your guest again in a few months, I will do that with pleasure. I think that this should be common practice, that we are always assessing our past actions. It is not a bad thing if someone has a better idea, better proposals, if there are better people to leave things we cannot do to those who can do it better, keeping in mind that the only interest that cannot be sacrificed is the interest of the people. [Ostojic-Pusara] Thank you. [Lilic] Thank you.

### Macedonia

#### \* Political Parties on Possible Membership in NATO

##### \* Emerging Consensus

93BA1086A Skopje NOVA MAKEDONIJA in Macedonian 27 May 93 p 4

[Unattributed article: "Foreign Military Presence—Regional Stability"]

[Text] in their statements on the possibility of the Republic's asking for membership in NATO, the political parties expressed their unanimous support.

The peace plan of the United States, Great Britain, France, Spain, and Russia, officially announced following the ministerial minisummit, held last weekend in Washington, confirmed the news that Macedonia is also considered part of the "U.S. scheme" and that the influence of that great power will greatly increase in the area. With the war in its neighborhood, and the not very friendly surroundings, and numerous blockades and

embargoes, like it or not, our state has found itself involved in an issue the resolution of which will largely determine the further development of the situation in the Balkans and the preservation of peace and stability the world over.

Whether Macedonia should become part of the collective security system by becoming a member of NATO, and whether it will continue to rely on UNPROFOR [UN Protection Force], or else form an alliance with third countries for the sake of exercising its right to defend itself, are only some of the issues that recently were in the center of attention. In a number of aspects the situation was clarified by yesterday's statement by Vlado Popovski, the Macedonian defense minister, to the effect that an official request for membership in NATO was expected to be officially filed soon. As to the other aspects of the initiative of Macedonia becoming a member of NATO, following are the thoughts and statements of experts in that area, as well as the views of most political parties.

The Democratic Party of Turks accepts anything that would improve the situation of the Republic of Macedonia. In that sense it welcomes the initiative of Vlado Popovski, the minister of defense, of requesting membership in NATO. In its view, this is in the interest of preserving the peace not only in our country. This would influence the stability of the Balkans and, hence, of Europe as a whole. History has proved, the DPT [Democratic Party of Turks] believes, this to be an accurate statement, for this area has always been a hotbed of wars and disturbances, and NATO membership would mean their timely elimination.

Macedonia must become part of the collective international security and defense system and request NATO membership, the Workers Party believes. NATO, as a military and political alliance, following the collapse of the opposite blocs, stands a good chance of becoming a global defense system. Such a NATO, as a variety of a "second United Nations," using the specific means at its disposal, should, according to the Workers Party, make any military and political polarizations on the local, regional, and global level impossible. To Macedonia, located in the neuralgic and military Balkans, this is of particular significance. When the most powerful countries and armed forces become part of this system, as a small country with a symbolic army, NATO membership would mean for Macedonia avoiding an exhaustive militarization that would become necessary should the country favor a "pure" individual defense with its own forces. The Workers Party believes that Macedonia would gain a dignified status as a member of this alliance and would never allow itself to become a military site for the use of forces against third countries and for objectives other than the universal principles and interests of peace.

In connection with the statement by Defense Minister Vlado Popovski and the possible membership of Macedonia in NATO and the presence of U.S. troops, the PCERM [Party for the Full Emancipation of Romanies of Macedonia] believes that the overall present security

situation of the Republic of Macedonia requires the presence of forces of the United Nations-UNPROFOR and of U.S. forces. However, Macedonia should not become part of any given bloc. Its place is within the unaligned countries of the world, according to Faik Abdi, the PCERM chairman. That party believes that a broad party consensus reached by all parties is necessary, regardless of whether they are represented in parliament or not, on the issue of any eventual NATO membership, naturally to the extent to which it is believed that a serious threat from the outside exists.

During yesterday, the Social Democratic Party and the Ilinden-Free Democrats Parties did not issue their official party view on this issue.

The VMRO [Internal Macedonian Revolutionary Organization-Liberal Party] believes that the request for possible NATO membership for the Republic of Macedonia naturally stems from the objective situation in the area, the fact that Macedonia is surrounded, and that NATO is the only representative of the collective security system. "Programmatically supporting a Western-type political and economic system, the VMRO-DP," its chairman Vladimir Golubovski believes, "in principle finds no reason to oppose such a concept." However, the party wishes to point out a certain reservation due to the preparedness of the Republic of Macedonia or, more accurately, the level reached of political maturity and the objective autonomy of Macedonia's international position, in order to block processes of linking parts of Macedonia's policy, whether on the part of the ruling parties or the opposition, to the "generals," as a symbol of the foreign presence, for this would turn Macedonia into a South American-type little country. The present state leadership must convince all political entities and the public at large, since Macedonia had already lost the opportunity for ensuring a political and national consensus on this matter, that by joining NATO Macedonia would be taking a political step of historical significance, consistent with the future of the Macedonian state.

The VMRO-DP believes that, despite some questions, the United States is a sincere Macedonian ally, for which reason the views of the party at no time have displayed an anti-U.S. attitude. They have reflected the need for a concept of Macedonia in the eyes of its present and future friends that, whatever the case, should be one of respect.

#### \* Opposition From MAAK

93BA1086B Skopje NOVA MAKEDONIJA in  
Macedonian 27 May 93 p 4

[Statement by Branko Josifovski, member of the Movement for All-Macedonian Action (MAAK) National Committee and Secretariat: "Foreign Troops Mean Abandoning Autonomy"]

[Text] *In its political platform, included in the 29 December 1991 Manifesto on the Demilitarization of the Republic of Macedonia, the Movement for All-Macedonian Action [MAAK] clearly let it be known already at that time that it opposes any kind of militarization of Macedonia and is*

*against the stationing of foreign troops in our country, unless steps are taken to make this a state policy of peace and unless we sign international agreements with our neighbors, the United Nations, and the CSCE as a guarantee of the security of the Republic of Macedonia," said Branko Josifovski, member of the MAAK National Committee and Secretariat.*

Undeniably, Macedonia faces the specific danger of being militarily threatened by neighboring countries that have territorial claims against us. Everyone knows this. However, the question is whether by rearming, joining NATO, or any other military system, and stationing foreign military forces and equipment would eliminate the immediate threat or could such a threat be removed by nonmilitary means and policies, through nonmilitarization and waging an active struggle for peace in the Balkans and beyond it? This is a question that faces us and everyone should give it some thought. MAAK believes that if Macedonia does not provide a specific pretext for war it would have the right to ask the international community for protection. There is the greater danger for the Republic of Macedonia, despite its will, to become involved in a war should it allow the presence of foreign forces, and should such forces decide to intervene against anyone in the Balkans. What if this were to happen? Would our country truly become the reason for a Balkan tragedy and the Macedonian people the greatest victim in it, Josifovski asks himself.

MAAK also questions some of the actual steps taken by the United States toward the Republic of Macedonia, in the sense of its military involvement in our state, the more so since Macedonia has not been officially recognized by the United States. According to this party, stationing foreign military troops in Macedonia means that we are abandoning the constitutional definition of our autonomy and independence. Such a policy may turn us into a "protectorate," as has been mentioned, which means a semisovereign state. As to intergovernmental accords, they must be specifically ratified by the parliament. In all cases, the parliament must act as a shield against some improvisations of the present executive authorities. For all such reasons, MAAK calls upon the Macedonian people to oppose any threat stemming from such arrangements.

#### \* Conflicting Views

93BA1086C Skopje NOVA MAKEDONIJA in  
Macedonian 28 May 93 p 4

[Article by Z. Petrov, S. Jovanovska, Z. Skerlev, and E. Sterjevski: "To Some It Means Safety and to Others Treason"]

[Text] *The Association of Serbs and Montenegrins in Macedonia, as well as the New Communist Movement of Macedonia, categorically oppose the presence of U.S. forces in Macedonia and membership in NATO. Other views are expressed by the Republican Party of Macedonia, the Party of United Macedonians, and the Association of United Macedonians for Europe.*

"We categorically oppose Macedonia's membership in NATO, as well as the presence of U.S. forces in this area," stated Rade Novakovitj, Spiro Sekulovitj, and Milan Nikitj, from the Association of Serbs and Montenegrins in Macedonia. "We believe that NATO is an aggressive military formation that, as we can see, is imposing its views by force not only in this area but throughout the world. Why else would NATO increase its aggressiveness, so that it could be present in the Balkans, after the Warsaw Pact has collapsed and there is no Soviet Union? If Macedonia were to become a member of NATO, it would be logical to conclude that it would become a semicolonial country and would lose its sovereignty. Our question is, who would benefit from such an event and whether, in general, the entire Macedonian people would accept such a thing? In any case, in our view, Macedonia is not threatened in the least by Bulgaria, Greece and, least of all, by Serbia."

According to the Republican Party of Macedonia, "The presence of NATO forces in Macedonia is inevitable, considering the present overall political and security situation. Whether this would be U.S. forces or the forces of England, Germany, or France, or any other allied country, makes no difference. As it is, Macedonia was impoverished and plundered by the JNA [Army of Yugoslavia] and Milosevic's Federal Republic of Yugoslavia, and lost virtually its entire technical and military arsenal. Presently we are in fact creating a new Macedonian army, as an extension of the army of 1941. Actually, the first chairman of the Presidium of ASNOM [Anti-Fascist Assembly of the People's Liberation of Macedonia], Cento, was in favor of such an idea," according to Ilija Petreski-Dzo. At the present time, according to the Republican Party, we need economic as well as military aid from the developed countries in the world. A typical example in this case is that of North Korea. "We wish to God for Macedonia to become the 53rd state of the United States. The reason is that some parties and their leaders are asking for financial aid and for a more comfortable life as a specific type of dictatorship that would enable them to remain in power."

The Secretariat of the New Communist Movement of Macedonia, headquartered in Gostivar, believes that because of the current UNPROFOR contingent, any other entry of foreign military forces would mean the occupation of our state and loss of sovereignty. It is especially opposed to U.S. forces, regardless of whether they are camouflaged as forces of the UN. "Everyone knows," the New Communist Movement of Macedonia believes, "that nowhere in the world have Yankees brought freedom or democracy to the peoples. Instead, they have sown devastation, wars, and killings. The NATO is a branch of the U.S. forces in Europe and its purpose is to serve U.S. policy. Our eventual membership in such a military pact would mean that Macedonia as well would become one of those countries that, by the force of arms, would be suppressing the liberation struggles waged by the peoples and all of this for someone else's benefit."

The Party of United Macedonians supports NATO membership for the Republic of Macedonia and believes that "the Krivolak military base must be offered to the NATO military alliance within the shortest possible time, this being the only way to stop the quarrel between Albanian Islamic fundamentalism and Serbian radicalism from penetrating into the Republic of Macedonia from Kosovo." The Party of United Macedonians considers that NATO military bases will provide the best guarantee for the independence of the Republic of Macedonia and, especially, a guarantee for the investment of foreign capital in the Republic. It points out that this step is in the interest of all citizens, especially in terms of protection from a Serbian aggression against the Republic of Macedonia.

The initiative of U.S. President Clinton and Secretary of State Christopher of sending U.S. forces to Macedonia is fully supported by the Association of United Macedonians for Europe, which believes that this mission is one of good intentions and beneficial to the overall security of the Republic and Balkan stability, for it would prevent any eventual spreading of the war from some areas of former Yugoslavia to Macedonia. "It is expected that the presence of U.S. military forces in Macedonia would lead to positive changes in all areas of activities, lifting the blockade, and initiating the process of improving the situation of the Macedonian economy which is currently difficult," reads the communique of the Association of United Macedonians for Europe, issued in Heidelberg.

So far the RS-Liberal Party [Reformist Forces-Liberal Party], the PDP [Party for Democratic Prosperity], and the SDSM [Social Democratic Alliance of Macedonia], represented in parliament, still have not expressed their views on this issue.

#### \* Ethnic, Political Tension in Gostivar

93BA1076A Skopje NOVA MAKEDONIJA in  
Macedonian 19, 20, 21 May 93

[Article in three installments by Emil Sterjevski and Kiro Kiprovski: "We Do Not Know What To Do and What Not To Do"]

[19 May p 4]

[Text] The Gostivar economy has probably never been so low. The assembly functions only with members of the PDP [Party for Democratic Prosperity] and the NDP [National Democratic Party]. There still is no executive committee.

It is being said that Gostivar was previously known as the Velika Village. Some link its name to the Vardar River that springs from Vrutok. Others refer to the hospitality that this previously important transportation crossroads acquired through the centuries, as the center of the Gorni Polog area. Today, when the etymological

significance of the name is of no importance, something remains from these two assumptions. However, very little remains of what, according to the writings of old travel writers, was a very familiar feature of the Gostivar area. If we can believe them, after the urban settlement appeared, Slovenes were the largest ethnic group here. Sometime around the middle of the 15th Century the population was quite homogeneous, with an insignificant sprinkling of Albanians and Turks. Since then, and to this day, the process of change of the ethnic structure of the population has been developing.

#### On a Low Level

Gostivar was one of the few towns in Macedonia in which virtually all the crafts were practiced. Very little remains of this tradition. Today, Gostivar is the city of Mercedes, BMW, Opel, and other car models. It is a city of unregulated construction and totally senseless urbanistic solutions. It is being said that with enough marks you could build your own house in the middle of the main square. Today no one knows the size of the population of Gostivar and its surroundings. Not even the latest census could be used as a yardstick, for it was precisely then that some people refrained from registering. In the various villages around Gostivar, this is the virtual duplication of what happened several years ago, when high walls were built around the houses. All the bricks were properly laid, and now new bricks have been added.

The Gostivar economy has greatly declined. This is not to say in the least that it could not become even worse. The scheme is familiar. Shrunk markets and possibilities of marketing the goods, especially when we know that the overwhelming percentage of goods for export went to the markets of former Yugoslavia. The Gostivar enterprises are suffering huge losses from the blockade of the Federal Republic of Yugoslavia as well. Silika, which employs about 1,400 workers, works at a drastically reduced capacity. People spend more time in mandatory leave than at work. Furthermore, there is internal agitation. The Gorni Polog IK [Industrial Combine] appears to be virtually shut down. Yet, it seems only yesterday that lamb from Sar was being shipped to Italy, Greece, Croatia, Serbia, Slovenia, etc. Those responsible at Gorni Polog blame the Ministry of Agriculture for its delayed response to the question of the EEC concerning the new conditions for meat marketing. Meanwhile, Macedonia cannot consume such a volume of lamb, despite the low prices. Production at Goteks and the factory for alkaline-free fiberglass continues at lower capacity. For quite some time, the personnel of Gostivarska Trgovija has been on strike and there is even hunger although, remembering the wages paid, it took them some time to decide whether to strike. For the past five months the Komunalec JP [Public Enterprise] has been working with a frozen payments account. Nonetheless, there is a certain amount of optimism, albeit small, among the workers, who hope that better days lie ahead.

### Interethnic Relations Are Good

Better days are probably expected also by the Gostivar Township Assembly. From its beginning to the end of June of last year, and even to this day, it has been functioning only with the members of the PDP and NDP, which has many more representatives. Representatives of other political parties supported by the Macedonians do not participate in the work of the assembly. An executive committee has still not been set up. "The assembly members feel that all 50 representatives should be present at sessions and not only 40 as has been the case so far, for there are many problems that affect everyone and deserve joint consideration in order to be resolved even better," said Enver Zenku, chairman of the Gostivar Township Assembly. "Over the past 10 months or so, on four different occasions we invited in writing the political parties of the Macedonians to participate in the sessions of the assembly, to nominate their candidate for deputy chairman, and to set up the executive committee. To this day, however, we have been unable to find a common language."

According to Zenku, the tension which was present during the preelectoral, electoral, and postelectoral period, has abated of late and the situation is becoming normalized. He believes that if the Macedonian representatives participate in the work of the assembly the success would be even greater and shared by all. Nonetheless, despite the optimism, which is never to be underestimated, a number of matters at the Gostivar Township indicate that there are problems, and that they are numerous. For example, more than 100 temporary buildings have been built in empty lots without permits. In the surrounding villages, the shingles on most of the newly opened private companies are inscribed in Albanian only.

"A major hindrance in our work is the fact that the position of the township has not been regulated by law", according to the assembly chairman. "We do not know what we should be doing and what we should not be doing. The law on local self-government must be passed. For the past several months, by decision of the government of the Republic of Macedonia, we meet once weekly with the heads of the sectorial ministries. This is a good practice. Last week, a member of MAAK [All Macedonian Movement] came to my office to tell me that the Macedonian parties had agreed to the organization of an executive committee with the participation of their candidates and to attend the assembly sessions."

As to interethnic relations, one of the main factors of the Gostivar Township, according to Zenku, is that they are good. There are no incidents and efforts are being made to improve the coexistence among Macedonians, Albanians, Turks, and all others township residents.

The situation is very good, we were told by a young Gostivar resident. There are no incidents or things like that! People do not bother each other. People have their own coffee shops, parties, and options. To each his own.

"Speaking of parties, if anything in Gostivar is truly abundant, it is the party line in what is, according to its size, one of the largest townships in Macedonia." As our interlocutor would say, there is something for everyone. "There are more parties than people." (!?)

[20 May p 4]

[Text]

### 'Many Centers, Various Options'

*Gostivar is the center of several political parties. However, there also are branches with interesting programmatic orientations. Conventionally speaking, the political situation is affected by the weaker or stronger winds blowing from the past.*

It would be no exaggeration to say that Gostivar is a distinctive center of party organization and action. It is precisely here that many parties, with their specific programmatic orientations, are centered. The citizens of Gostivar themselves are unfamiliar with most of them. Even more unfamiliar are the people of the villages, of the fertile Poloska Kotlina, or the people of the scattered foothill-mountain villages. Nonetheless, the parties or, to be more precise, their leaders, are proud of the number of their members. It is said jokingly in Gostivar that if one were to add the number of members claimed by each party (based on its own estimates) there probably would turn out to be more people than are currently living within the area of the Gostivar Township.

According to official data of the Gostivar Township Internal Affairs, a large number of parties and associations have originated here and found a rich soil. This applies, for instance, to the Djuven Party of Turks in Macedonia, or the Democratic Party of Yugoslavs in Macedonia. Also located here are the headquarters of the New Communist Movement of Macedonia, the Association of Macedonian-Serb-Montenegrin Friendship, the Macedonian National Movement, and the Democratic Forum for the Defense of the Rights and Freedoms of Man in Macedonia. The Internal Affairs Department has also registered the voluntary Diele and Naser Veliu Humanitarian Societies.

### A Wealth of Parties

The fact that there are many parties centered in Gostivar does not mean that there are no numerous branches of political parties as well in that area. Naturally, this applies to the PDP, NDP, VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], VMRO-DP [Internal Macedonian Revolutionary Organization-Democratic Party], MAAK, SDSM [Social Democratic Alliance of Macedonia], Reformist Forces-Liberal Party, Socialist Party, Youth Union, Turkish Democratic

Party, and the BCER [Party for the Full Emancipation of Romanies]. Even the SDA (Party for Democratic Action) has a branch in Rostuse, a Gostivar-area village, the dilapidated premises of which were once a children's camp and are now a shelter for refugees from Bosnia and Herzegovina, in Bunec. Recently, the Way of Islam has become politically active in Gostivar.

If spiritual and material wealth has anything to do with the number of parties, the people of Gostivar would be truly well off. However, the number per se is not all that interesting. Much more interesting are the political orientations and programmatic stipulations and aims of some of the parties that run along different tracks. Probably the people of Gostivar themselves would know best the origins and reasons driving individual parties. However, in addition to the current political times, there must be something based on the historical Gostivar crossroads.

This area and especially the villages have long been important to those wishing to earn more. Gostivar people, in their search for a better life, crisscrossed Yugoslavia and frequently went far beyond it. To this day work abroad has left its traces in the way of life of the people in the area. Between the wars, this area was extremely backward, especially in terms of culture and education, and because of a substantial degree of religious fanaticism. After World War I, following an administrative division within the then Vardar Banovina [administrative term used for Yugoslav Macedonia during the interwar period], Gostivar became a particularly important okolija [district] center. Until World War II, according to the books, schooling and education had the features of the political system of occupation of that time. For example, instruction in the schools was exclusively in the Serbian language, for all children, regardless of ethnic or linguistic differences. To this day, old headstones in the cemeteries may be found in which the family names of the dead end in "it."

#### "Fresh" Democracy

Meanwhile, until the April occupation in 1941, something else happened as well. The Italian occupation forces, joined by Albanian reactionaries, undertook to organize the occupation system. It was at that point that a strong propaganda drive was launched for the creation of Greater Albania, aimed at the annexation of that area. At the same time, a strong movement for denationalization of the Macedonian population was started. It included, among others, banning the use of the native tongue, insisting on the Albanian language, changing family names, and so on....

Today the overall political situation in Gostivar may be considered as glimmering, according to the weaker or stronger winds blowing from the past. This is reflected in the activities of individual political parties although all of them essentially have adopted democracy as their fresh acquisition.

We had arranged a meeting with Trifun Andreeski in a Gostivar coffee shop. For those who do not know the name, he is the general secretary of the New Communist Movement of Macedonia. Actually, in Gostivar, politically committed people will be found most easily if one can guess which are their coffee or tea shops. The voice of the Radio Pristina announcer could be heard on the loudspeaker. The manager politely asked us whether it was bothering us.

"The New Communist Movement of Macedonia" was registered in Gostivar and has been active in Macedonia since the end of August 1990," its leader, Trifun Andreeski, said. "Before the new year we had some 3,000 members. Now we probably have more, for the number of our local councils has increased. Our option is a rapprochement, above all with the Yugoslav republics. This, however, requires an end of the war and a check on inflation. Second, we favor the second option included in the referendum. Actually," Andreeski said, "only providing that the Federal Republic of Yugoslavia would guarantee the name of Macedonia, and the sovereignty, integrity, and identity of the Republic as an equal, as well as a political system based on multiparty elections."

#### There Is No "Western Macedonia" Problem

According to Andreeski, the party includes members of different ethnic groups. "There are," he says, "even ethnic Albanian sympathizers who are helping us. However, they do not dare to declare their support openly." We have asked Kiro Gligorov, the Macedonian president, to explain his statement that in the Balkans there will be no peace until the Serbs have resolved the Kosovo issue. According to him, "Kosovo is a structural part of Serbia and of the Federal Republic of Yugoslavia, while the Albanians in Kosovo do not recognize the legitimacy of the Serbian state but want to have a republic. Here the Albanians want some kind of Ilyrida. The purpose of all of this is to join Mother Albania. In my view, there is no Kosovo problem and, therefore, no problem of Western Macedonia."

The Democratic Party of Yugoslavs in Macedonia, also centered in Gostivar, is programmatically similar. As we found out, this was the Party of Yugoslavs that had recently renamed itself and was functioning as a new party. Unfortunately, we tried, unsuccessfully, to locate its chairman, Zivko Lekovski, for two days. We were told that Lekovski was the chairman of the organizational committee of citizens of Gostivar and its surroundings who, several months ago, had organized a voluntary blood donor action, as well as humanitarian aid in food and clothing for the victimized population (Serbian) in Bosnia-Herzegovina and in Croatia.

Also centered in Gostivar is the Society for Macedonian-Serbian-Montenegrin Friendship, whose chairman is Miso Popovitj. He is perhaps more familiar to the public from the events in the Kuceviste Village near Skopje, where he was the representative of the Serbs in Porece, something to which the people of Porece reacted sharply.

Otherwise, according to the Serbian press (television news) one of the leaders of the Cetnik Movement in Porece was the priest Teodosije Popovitj, Miso Popovitj's father. Internal Affairs has registered the Society for Macedonian-Serbian-Montenegrin Friendship, but according to some, it actually represents the Democratic Party of Serbs in Macedonia!

[21 May p 4]

[Text]

### Fear Protects the Vineyard Best!

*"We have always found ways to compromise and reach an understanding," said Enes Sagir, chairman of the Gostivar branch of the Democratic Party of Turks. A good believer is not the same as a fundamentalist. The state pays little attention to this area, according to Delco Ickov, township committee chairman.*

"If you want to find any one of the leaders of the Democratic Party of Turks, you should go to their club. It is on the second or the third small street to the right of the Vegetable Market. They have offices in the township center but at this time of day you will probably find no one there," we were instructed by a local resident. While we were waiting for the chairman of the Gostivar branch at the DPT [Democratic Party of Turks] Club, we were offered tea and coffee. Hanging on the walls were big portraits of Kemal Ataturk. On the left corner there was a television set. The program of the Turkish State Television was being telecast, bounced off a satellite. The people at the table opposite us toasted us with fruit juice....

Enes Sagir, the chairman of the Gostivar branch of the Democratic Party of Turks, arrived some 20 minutes after we had sent for him. He welcomed us and offered us both tea and coffee. "Last year, sometime in September, we changed our name from Turkish Democratic Union to the Democratic Party of Turks. Our Gostivar branch is, actually, the third township center in Macedonia, out of eight. It has about 4,500 members." Despite its relatively high number of members, the party does not have a single representative in the Gostivar Township Assembly. "Unlike the Albanians or the Macedonians, the Turks are scattered around the Gostivar area with no major concentration, for which reason in no single electoral district could our candidate garner the highest number of votes." Sagir said. "Nonetheless, I say that the Turkish people in the township have always been a factor of stability in interethnic relations. We have always found compromises and reached an understanding. There is only one problem. In the current situation, especially in terms of the Gostivar economy, those who benefit the most are the Macedonians and the Turks. Most of them live in the city and work for the big companies. Unlike them, Albanians are more tied to the land or go abroad. As to the political situation, it is what it is. It seems to me that the Democratic Party of Turks provides a kind of balance among the party forces in the

Gostivar area, although, to tell you the truth, there is virtually no cooperation with the other parties or with parties with a Muslim membership," we were told by Enes Sagir, chairman of the Gostivar branch of the Democratic Party of Turks.

### Coexistence

"Let me give you a definition," we were addressed by an elderly man wearing on his head a multicolored woven cap, a cigarette dangling from his lips. He introduced himself as Top Huseni. "All of us seem to be somehow misplaced. Regardless of whether we are speaking of Turks, Macedonians, Albanians, Gypsies, or anyone else. This is a long story but one thing is clear: We are fated to live together. That is why I say give to everyone as much bread as he needs and you will see that no one will be interested in politics. What the people want is a good life."

We found out that recently a new party had been established here, the name of which was indicative. To be more specific, it was a branch of the party centered in Tetovo, Way of Islam. Following a maze of narrow streets, our interlocutor took us to their meeting place. It was a building that was (and probably still is) a tea shop, on the ground floor of a house. It had shelves with religious publications. On the right side of the improvised counter stood two big tea pots. On the left wall were big posters with handwritten inscriptions in Albanian, Turkish, and Macedonian: "Hold on to the divine string and do not separate." We spoke with three members of this newly formed branch in Gostivar. They reminded us that they could say nothing officially, for their leaders were not present.

Still, they told us that the party had been registered some two months ago and is actually a branch of the PDA, the Party of Democratic Action—Way of Islam, with headquarters in Tetovo. "We have absolutely nothing in common with the SDA [Party for Democratic Action], that has a branch in Skopje. We are programmatically different from the PDP and the Democratic Party of Turks. This is not an ethnic party. Its objective is not the struggle for power. You will find no such things in our program."

"We do not emphasize ethnicity. Our members include Albanians, Turks, and Gypsies. Macedonians could be members as well. What is important is to be a good believer. However, to be a good believer does not mean to be a fundamentalist," we were told by one of them, in pure Macedonian language.

Some people wonder why there would be an SDA branch in Gostivar, for the party is headquartered in Rostuse. According to some, this is the result of the increased number of Muslim refugees from Bosnia-Herzegovina, who settled in Gostivar and in the neighboring villages. Their precise number cannot be established. Some come and go, while others remain. Nevertheless, it is believed

that about 3,000 refugees have passed through the private homes in the city and the villages, the mosques and in Bunec, the former camp for children....

### Manipulated Citizens

The office of the VMRO-DPMNE in the municipal township building was closed. However, let us repeat that one must find the right coffee shop. It was in that coffee shop that we spoke with Delco Ickov, chairman of the VMRO-DPMNE Township Committee. "It is truly an interesting matter. In Gostivar there seems to be some kind of fear of the Albanians. To this day some people, believing or thinking that the problem of the Albanians has been allegedly solved in Kosovo, would like the same to happen here. Furthermore, we know that they would like the same solution to be applied here as well. They do not realize that they are thus actually being manipulated. What they would like is, allegedly, to defend orthodoxy here, and that perhaps one day the Albanians will throw us out of this area without opposition. Second, I believe that the state, the president, the National Assembly, and the government, have paid little attention to this area. I believe that all that the Macedonians living here want is respect for the law. Nothing else, and with equality for all," Delco Ickov said. "In Gostivar, if you bring today 100,000 marks, and if it is your whim to build a house in the town square, no one would oppose you. Considering that those people (the Albanians—editors) have money, unquestionably they have the opportunity to practice major manipulations, to break the law, and those who are supposed to uphold the law do absolutely nothing, for the simple reason that they are not protected from above. The chief of the communal sector was replaced because he removed huts built without a permit. In all likelihood there is some connection here, but every member of the executive and judicial authorities fears for his job."

According to Delco Ickov, the SDA is operating in this area quite actively up and down the river. This is precisely where Macedonians professing Islam are located. Once again he mentioned the state that has neglected such people for years on end, people who are ethnically ignored, and are now left under the prime influence of religion. "They are being given the disinformation that the state will try to convert them to Christianity, which is a pure lie. However, someone must tell them this."

It looks as though many things should be told to the people of Gostivar, for it is obvious that their thoughts are quite confused. Some parties act in the name of Orthodoxy and others of Islam. Others again are dominated by the Kosovo syndrome, or fear both. In this case as well propaganda is at work, for someone is supposed to "instruct" the population, which does not know what is what. The propaganda is noticeable. It is practiced almost daily and is in some cases more perfidious than in others.

Still, some people of Gostivar who know the situation are saying that unlike last year or perhaps even before

that, when the people were ruled by fear, uncertainty, and pessimism, something is developing within the people that makes them believe that the situation can only improve rather than worsen. If only the people in the coffee shops would start mixing, if only the executive committee would be set up, and if there would be bread for all....

### \* Lack of Enthusiasm for Privatization Noted

93BA1050E Skopje NOVA MAKEDONIJA in  
Macedonian 15 May 93 p 14

[Article by Sonja Kiridzievska: "Plundered and Doomed To Lose"]

[Text] *Deeply mired in its agony that has lasted all too long, commerce is awaiting the serious test of privatization, having survived the complete "breakdown of the system." The culpability of the leading individuals screens the ambitions of those who encourage strikes in order to grab a bigger slice of the pie.*

Old Bernard Baruch, the official financial adviser to seven U.S. presidents, is supposed to have said that "commerce is a ship and not a racing car. Decisions to change direction and the type of sailing must be made on time. The signals must be clear, and the various maneuvers take time...."

It is no miracle that under the clouds of this as well as other unpublicized ideas and activities in "foreign trade," the private kayaks sailing on dangerous waters have shown greater skills compared to the big or small ships of public trade organizations. Deeply mired in an agony which has lasted too long to leave any material values, commerce is awaiting the serious test of the total transformation, having survived its own "system breakdown." Afraid of the past experience in "wild privatization," which made it possible for public capital to be transferred to private individuals, tired of its own problems of trade, employment, and unregulated competition, it is trying to find the strength to adapt to the newly developed circumstances. Even for many better prepared and stronger entities, this situation is too big a bite to swallow, the more so since it did not have strong state support in the battle against the "gray" trade.

### Counterrevolution

It is unquestionable that the private entrepreneurs carried out a "counterrevolution" in trade. They made use to their own advantage of all the weaknesses of public trade and came out as unquestionably more liquid and solvent than the public organizations. All of this was also largely the result of the more inventive selection of goods, and greater flexibility in the new circumstances. Under the influence of such inventiveness, private retail trade in all urban centers quadrupled. The recruitment of capable cadres from the public sector, called damaging and immoral, was compensated by the fact that is quietly acknowledged or, at least, not denied, that the private merchants were able to improve the supply of the market and lower the prices of a

great variety of goods by no less than 10 to 20 percent. The private merchants meet requirements faster than public enterprises, and most frequently develop irregular relations with the public sector, which is an indication of corruption. In this case priority must be given to finding the culprits and to determining the reasons for "high treason" in the enterprises.

There is one thing on which everyone agrees. The only people who are working in this country, to a certain extent, are the merchants. This sector is precisely the last thread which holds the economy together. This is confirmed by the fact that by the end of last February there were 42,000 privately owned enterprises, some 26,000 of which were registered as commercial. The inescapable logical conclusion is that, that is where the money is. Everything would have been less harmful had the private sector concentrated exclusively on money. Now it is looking at business premises, threatening the systematic elimination of public trade. In this struggle there are no rules and everything is permitted, from open support to low blows, and from secret collaboration with people who share the same morality to the elimination of the incapable. All of this has brought public trade from a sector that earned tremendous amounts down to a state of abject poverty.

### The End Is Near

Taking all factors into consideration, public trade is, in itself, doomed to fail. The error was made at the very beginning of privatization, in the true meaning of this term. As long as this process was beginning to develop by breaking up the cumbersome systems, everything happening was useful. However, this was spoiled by the dissatisfaction of the workers and the growing fear of the future. This confused situation created a suitable atmosphere for increased strikes in commercial companies. From clearly being in good condition, enterprises such as Centro, Gostivarska Trgovija, Inkomer, Zempromet, Merkur Import, and many others dropped to the lowest possible level after the strikes. Blaming the leadership conceals the ambitions of those who promote the strikes and who, in the general plunder, were unwilling to remain without a piece of the pie. Applying a tried recipe, liquidation, all ways and means are being used to plunder as much as possible, leaving the future of a tremendous number of employees in uncertain hands. It is precisely this uncertainty about the future that made strikes in public commercial enterprises a last desperate attempt at postponing the end.

The culmination of the crisis is the announced sale of business premises, which the commercial system feels as a direct attack against it. Particularly fearing this are the bigger commercial houses that conduct their activities in rented business premises the true owners of which are now showing a sudden interest. This applies to 11,015 shops that provide a living to 31,785 workers. Public trade lacks the funds to purchase these premises, while the private entrepreneurs are displaying a great eagerness to become the new owners. Unofficially it is being

rumored that about 300 requests have been filed for some 50 stores in Skopje's trade center. Whether the private owners are interested in taking over the personnel, in addition to the stores, no one can (or wishes to) say.

In any case, the adaptation of trade to the requirement of contemporary market conditions is a process that cannot be stopped. The facts indicate that the cumbersome systems in this sector can no longer survive. However, in no way could we allow the public sector to be sacrificed for the sake of some higher objectives or for the simple reason that this would be to someone's benefit. It is easy to be successful with other people's money while ignoring other people's interests. Judging by the dissatisfaction that was expressed, the merchants (do not) wish privatization but not under provisions stipulated by others. Unfortunately, plundered and pressed against the wall, trade will either take or leave these conditions, for otherwise it would collapse.

### \* Minister Miljovski's Views on Privatization

93BA1095A Skopje NOVA MAKEDONIJA in Macedonian 28 May 93 p 3

[Speech by Minister Jane Miljovski: "Privatization With Developmental Goals"]

[Text] *"Our own path for privatization has the following elements: restructuring, reducing the danger of unemployment, and cushioning upheavals in the economy. There is no shareholding without money, which is a guarantee that deals will not fall through. We employ different methods of transformation for large, medium-sized, and small enterprises."*

"After so much, time, work, debate, discussion, after so many articles, we have nevertheless come to see this law get on the agenda for adoption. The joy that we are finally discussing this law is troubled by the awareness that judging by the multitude of amendments, I am no longer certain that we really will be able to finish this debate in a joyful mood, and with the awareness that we have legally provided a basis and direction for the country's most important reform," Minister Miljovski emphasized at the beginning of his speech.

"There is neither inflexibility nor stubbornness, nor even 'authorial narcissism' in our insistence upon the proposed concept. When the decision was made that we would prepare our own privatization law, a Macedonian privatization law, the main thing that we determined was that above all the law should achieve developmental goals, which, when they are achieved, should make it possible for all of our country's citizens to live more richly and better than in the past. We decided to incorporate in the privatization program elements that would shorten the restructuring process, elements that would reduce the danger of unemployment, elements that

would simply make it possible for this radical change to take place as painlessly as possible and with the smallest possible economic upheavals. Our proposal is based on the fact that we must not carry out a privatization in which enterprises will be closed en masse, in which they will lose their market, in which even higher unemployment will occur. We have high unemployment even without that. These are the principles that compelled us to approach privatization differently than most countries in Eastern Europe," Miljovski said.

#### There Is No Free Shareholding

"In the law on the transformation of enterprises with social capital in the Republic of Macedonia, we proceeded from the general truth that one cannot become a shareholder by force, by the decision of some body that will decide how much money people will set aside from their income to buy shares.

"Becoming a shareholder must be a personal decision by someone who thinks that it is better for him to invest his money in a certain enterprise than in a bank. It has to be a voluntary decision by every individual. In economics, it is completely clear how the desire to do something or buy something is expressed: through money. This is why we decided that privatization, as a general principle, should proceed from the principle that shares are bought. That principle, however, is not exclusively dictated by theoretical reasons. There are very practical reasons behind it.

#### Macedonian Type of Privatization

"Does our type of privatization differ from the others, and does it have to be that way? We can freely talk about a Macedonian type of privatization, at least according to what is proposed in the law. This special characteristic is not something for which we strove, but rather something that was imposed by simple consideration of the conditions in which privatization will take place in Macedonia. That means that our privatization has to be based on the experiences of countries in which privatization has already been carried out, whether they are developed or undeveloped countries. It has to be creatively consistent with our specific Macedonian conditions in order to be successful, however. A characteristic of our approach is identification of the dominant owner at every enterprise. It can be one or several people who will possess at least 51 percent of the enterprise's shares. In this way, we want to create conditions for efficient management of the enterprise. This solution increases efficiency in making economic decisions. Something else is also achieved by this approach, however. At the very beginning of the privatization process, it is known who the future owner is, and this prevents the plundering of the enterprise's property, a phenomenon that is typical of such processes in the transition from one type of society to another.

"A significant characteristic of our project is that there are different methods by which one enterprise can be

transformed. The law divides enterprises into small, medium-sized, and large ones, with different methods of transformation provided for each of these groups.

"In the discussions that were conducted on the previous text of the law," Miljovski emphasized, "it was mentioned very often that it did not take into account the fact that there was not enough capital in Macedonia to purchase enterprises. In this regard, many people did not notice that in taking into account the problem of the lack of capital in the Republic of Macedonia, we provided for a specific method of buying medium-sized and large enterprises. At medium-sized enterprises, management rights can be acquired if one buys at least 20 percent of the value of the shares, and at large enterprises, if one buys at least 10 percent of the value of the shares in the enterprise. Individuals who acquire majority management rights in this way, however, will have to offer a suitable program for developing the enterprise. Between the Agency and the individuals who take over management with a percentage lower than 51 percent, a sales contract is concluded, which specifies, among other things, the period within which at least one percent of the enterprise's shares have to be bought. That period cannot be longer than seven years. With this method of privatization, we wanted to achieve several results at once: to have the transformation carried out even though there is not enough capital in Macedonia; to have those individuals who have enough knowledge, courage, and ability to increase the enterprise's profitability participate in buying shares, even though they do not have enough capital to become dominant owners at once; to pay for the dominant part of the shares from the future profits in order to force enterprises to a high level of economic activity so that they can earn a higher profit. On the other hand, we wanted to minimize the danger of a dismissal of the existing work force; during the discussion of the draft law in this Assembly, fear was expressed that shares thus acquired could be misused to sell off the enterprise.

#### Equal Chances for Buying Shares

"The main thing is the following: We are trying to sell a control package of shares. Furthermore, all citizens of Macedonia have equal chances to buy shares. The sale of shares will be publicly announced. Under equal conditions, the enterprise's employees have priority in buying the shares (this especially applies to small enterprises).

"The law that we are proposing should have been adopted a year ago. Someone had an interest in postponing its adoption. It was all those who continued to pay for shares at their book value, with an unrealistic appraisal of the capital. The whole truth about the unnecessary postponement of this law lies in that interest. For a whole year, there was a discussion about whether it was necessary to audit privatization that had been carried out or not. We lost a whole year on something that would not be any problem at all in a law-governed state: monitoring legality. Now it already seems that that problem is not as pronounced as it was earlier, but now the focus is on 'the

small discounts,' 'why free shares are not being distributed,' 'whether those who will privatize with a small part of the purchased shares will misuse their opportunities,' etc. Will those who do it without payment be unable to misuse the opportunities available to them if they manage enterprises?

"If we do not start privatization immediately, we will all lose. I am convinced that there are people sitting in the Assembly to whom the good of the country is very important, and that is why I think that the appeal to accept this law will not be misunderstood," Minister Jane Miljkovski said in conclusion.

[Box, p 3]

#### Shares Only in Exchange for Money

"Payment for shares, and not their free distribution, as some people are stubbornly demanding, is one of the key elements for putting Macedonia's citizens in an equal position. If one accepts the free distribution of shares only to those employed in enterprises going into privatization, all those who work at enterprises and institutions that are not going into privatization would be put in an unequal position, along with all citizens who do not work (the unemployed), or even those who have already formed their own enterprises. Likewise, all those who have been completely privatized to date and did not receive free shares would be put in an unequal position. I will mention just one example of how this is done in the world: All the funds that were collected from privatization in Hungary were used to pay the country's foreign debt. We do not have to be that strict, since every extremism is dangerous, even in this case, but what I want to emphasize is the connection between the debt and the property. The government simply wants to exchange social property for the debts that were incurred in order to create that wealth."

#### \* New Law on Foreign Trade Described

93BA1077B Skopje VECER in Macedonian 24 May 93 p 3

[Article by Lj. Josifovska: "Paragraphs for an Open Market"]

[Text] *The Macedonian economy's opening to the influences of the world market and its simultaneous protection of domestic production are among the basic principles on which the new law is based; the authority of state bodies to determine the conditions for foreign trade operations has been reduced, but the penalties for operating in violation of regulations have been drastically increased.*

On Friday, with the publication of SLUZBEN VESNIK NA REPUBLIKA MAKEDONIJA No. 31, the new Law on Foreign Trade Operations went into effect, which should contribute to the construction of a modern and dynamic foreign trade based on economic criteria and on the principles of an open market economy that are in effect in the developed countries. Specifically, the determination

of significant socioeconomic changes, and Macedonia's independence, have made it necessary for foreign trade operations to be regulated at the republic level.

The new law is based on several basic principles—the larger and more rapid inclusion of enterprises and other legal persons in the international division of labor, the opening of the Macedonian economy to the influences of the world market and the simultaneous protection of domestic production, the independence of economic entities in making business decisions, and the direct inclusion of physical persons, especially engaged in production activity, with assets owned by the citizens.

#### Maximum Liberalization

According to the provisions of the new law, in the future all entities can engage in foreign trade with formally equal rights and obligations, since the same working conditions are prescribed for all possible types of firms. Thus, articles 2 and 3 say that foreign trade transactions and economic activities abroad can be conducted by enterprises and other legal persons that engage in economic activity as long as they are entered in the court registry, but only within the framework of their activity. Foreign trade activity, however, is conducted on the basis of contracts concluded in accordance with Macedonian regulations and international treaties and conventions. Without an entry in the court registry, only services can be provided to foreign persons in the republic, and abroad, enterprises can provide assembly services for equipment that they have exported.

The Law on Foreign Trade Operations also ensures maximum liberalization of the regime for distributing goods that can be imported freely, partly freely, or by means of permits, along with the unhindered registration of domestic firms for importing and exporting, deregulation of the administration's authority, etc. According to article 10, importing and exporting goods is free, but because of protection of domestic production and planned development, it is regulated by specifying quotas, the volume of which is set by the government according to a proposal from the competent bodies. Specific goods, however, can be exported and imported with a license when they involve international treaties, weapons and military equipment, historic works and works of art, and individual precious metals. The only thing banned is importing and transporting dangerous waste materials, and for physical persons, importing weapons, ammunition, explosives, and the corresponding intermediate components.

Long-term coproduction, barter transactions, serving as a middleman in foreign trade, and local border trade are still maintained as special forms of foreign trade operations. Likewise, the new law, among other things, also provides for more flexible application of cases in which goods can be exported and imported without charge for the equivalent value (article 46): if it is necessary for

quality testing, if it is used for advertisements, displays, designs, and technical documentation, for equipping representations, for humanitarian, scientific, cultural, health, and social purposes, assistance in the event of natural disasters, etc.

### Greater Rights for Citizens

In contrast to the reduction of the authority of the government and its bodies with respect to the rights to determine the conditions for foreign trade operations, and especially for their interference in the business of economic entities, the new law gives greater rights to physical persons, i.e., citizens, especially in importing automobiles and trucks. Thus, article 79 says that domestic and foreign physical persons can freely import (receive) and export (send out) personal baggage, objects for personal and family use, including new or old passenger cars up to three years old, as well as animals in a quantity not intended for sale. This also applies to inherited items, and to objects of historic, artistic, and cultural value with a permit from the competent administrative body.

In order to conduct their activity, citizens, in accordance with the registration, can import new automobiles and trucks or ones up to three and five years old, respectively, along with means of labor, intermediate products, spare parts, packaging, and used and advertising material. This also applies to people who have worked for at least two years abroad, or who have lived there at least four years for any reason, as well as to foreign persons who have received citizenship or asylum in our republic. Foreigners, however, who temporarily spend more than four years can import a temporarily imported passenger car before returning by paying customs duties and other taxes, and sell it.

The biggest innovation in the Law on Foreign Trade Operations is apparently the penalties that will be calculated in [monthly] wages. Specifically, for an economic violation enterprises will be fined from 100 to 250 wages if they are not registered for conducting this type of activity, or they conclude contracts outside of their activity without approval, if they import goods that do not meet the prescribed conditions for being marketed, and also if they engage in unfair competition in conducting foreign trade transactions, etc. For a violation that has been committed, however, enterprises will be fined by 35 to 100 wages, and physical domestic and foreign persons, from five to 15 wages. For those violating this law, a protective measure may be adopted of confiscating the items used for or intended to be used for committing the violation.

### \* Sanctions May Affect Cable Manufacturer

93BA1103C Skopje VECER in Macedonian 25 May 93  
p 20

[Article by M. Pasoevski: "Circuitous 'Spreading' of Losses"]

[Text] According to the cable factory in Negotino, the transportation of goods by circuitous ways will bring a monthly loss of about 150,000 German marks.

Negotino, 25 May—Last year, the 9 Maj Cable and Conduits Factory in Negotino achieved substantial production and financial results from marketing its goods, most of them exported. During the last three to four months this developing and promising organization also achieved remarkable results in exporting cables and conduits. The workers say that they carry out their tasks with a great deal of satisfaction. They earn good wages, paid twice monthly.

Now, however, with the introduction of the new Security Council resolution measures for the total embargo and isolation of the Federal Republic of Yugoslavia, both workers and management are concerned, for the contracts signed with foreign partners for exporting requested goods will require their transportation by roundabout ways. This means not only that the shipments will be delayed, but also that transportation services will cost a great deal more.

According to the annual plan, the people of that organization say, by the end of the year it is expected that 9,150 tons of cables and conduits will be exported. However, if the sanctions against Yugoslavia become will last a long time, in the case of some European countries, the deal will not be entirely fulfilled. This will have a negative impact on expected financial results.

Among others, Ilija Georgiev, director of the Negotino cable industry, informed us that the factory will be losing about 150,000 German marks monthly because of the economic sanctions against Serbia and Montenegro.

The blockade will also have a major impact on the operations of the Antigona Trans automotive transportation enterprise in Negotino. So far all the trucks have been used to capacity in hauling cables and conduits and other industrial goods to several European countries. In the future, the trucks will be forced to travel through Bulgaria, Romania, and Hungary, or through Albania, to get from Brach to Italy and Slovenia.

### \* Drug Industry Wants Protection From Competitors

93BA1103B Skopje NOVA MAKEDONIJA in Macedonian 25 May 93 p 3

[Article by E. Kamberova: "Foreign Drugs Are Flooding the Market"]

[Text] Macedonia has still not taken any steps or passed any laws to protect its domestic production. The people of Alkaloid are saying that they do not want privileges but only of reciprocal relationships with foreign producers.

When it becomes a question of drugs, the pharmaceutical houses of the former Yugoslav republics are still treated as domestic companies. The Macedonian market is the only one—naturally after Bosnia and Herzegovina, whose market, in general, does not exist—that to this day has taken no steps whatsoever to protect domestic production.

Unlike the previous single Yugoslav market, following the breakdown of Yugoslav all former Yugoslav republics have had their ministries manage this sector. Instead of having one authority for the registration and reregistration of pharmaceuticals, as was the situation in the past, now this must be done separately for each republic. The problems that appear as a result of the newly developed situation, naturally, are most strongly felt by Alkaloid, which is the biggest pharmaceutical house.

### Disappearing Markets

"Our market was the Yugoslav republics; to a lesser extent the former USSR, Czechoslovakia, Poland, Romania and Bulgaria and, occasionally, some Third World countries. In most of these countries, after the conditions changed, their health ministries took strict measures to protect their domestic producers and make the penetration of drugs from foreign pharmaceutical companies impossible," Dr. Edvard Simonovski, the head of the development sector, explained. Slovenia, for example, called for the registration of some drugs, which costs \$1,500. The reregistration requires of the producers to submit meaningless documents proving that they are pharmacological preparations, something that is not done anywhere else in the world. Also required are instructions and packaging to be written exclusively in Slovene. It is logical, according to Simonovski, that priority should be given to their own Krka and Lek companies. This procedure is, actually, a barrier blocking this market to foreign producers. A similar or even more drastic example is that of Croatia. In that country, to register a drug costs 2,500-3,000 German marks, an exceptionally high price. Furthermore, in order to import drugs that are also produced domestically, customs fees range from 17 to 22 percent, which is quite high, for the fees thus paid actually increase production costs. In order to market a drug in Croatia, the instruction and labeling must be written in literary Croatian language, which is different from today's Serbo-Croat. I believe, Simonovski says, that even in Croatia few people can speak that language. The Croatian government is asking that 66 percent of already commissioned drugs be "forgotten and forgiven." This means that payments are exceptionally bad or uncertain. It is thus that Croatia has entirely disappeared as a market for foreign producers. The problem with the market in the Federal Republic of Yugoslavia is mainly that of its high daily inflation of about four percent. However, the latest resolution on penalties totally blocks trade in drugs unless they are supplied as humanitarian aid.

### Uncertain Marketing

At the time that the USSR broke up, it had ordered from Alkaloid drugs worth about \$4 million, a sum that, to this day, has not been paid. It is very difficult to reconquer this market, for Western European producers are given priority. Furthermore, drug registration prices are enormously high, and even if they are paid, this is no guarantee whatsoever that such goods can be sold, according to Simonovski. The marketing of goods to Poland and Czechia is on virtually the same level as it was two to three years ago. However, the uncertainty of any further cooperation with those countries

is also present. Trade with Bulgaria was started some three years ago, he said, but our latest request to register three drugs was rejected, claiming that a sufficient number of similar drugs had already been registered. According to people familiar with such problems, this is nonsense, for so far the rule has always been to register all drugs and then to choose among drugs on the basis of their quality and cost. The refusal of the request can be interpreted only as a policy for the protection of domestic production. As to Romania, the marketing in that country is totally insecure. The leadership is corrupt and, in addition to the legal registration fee, in order to be accepted, the chairman of the respective commission must be paid another \$3,000.

### What Humanitarian Aid?

In the Republic, although we are the biggest pharmaceutical company, we have no privileges, the people of Alkaloid claim. On the contrary, every day we must supply as humanitarian aid drugs in large quantities, taken from the factory's storage facilities. The latest example of this nature, according to Trajce Mukaetov, the general director of Alkaloid, was the recent supply of Gentamycin and Diazepam from Krka, through the Soros Foundation. These drugs duplicate those produced by Alkaloid and have cost millions of U.S. dollars.

It happens, Venko Temelkovski, the marketing director, added, that we have new preparations as ordered by the Ministry of Health and have negative results from their sale. Instead of expressing its gratitude, the ministry imports the same type drugs. Alkaloid has packed stores with drugs. It could empty them and give the drugs away for free, but what happens then? The factory will fail and the humanitarian aid that is now steadily contributed will come to an end. This requires long-term thinking. Alkaloid is a major entity within the Macedonian health system and a certain share of its profits is now invested in its revitalization (debts in the healthcare system amounts to about five million German marks). A percentage goes to sponsoring various scientific works, seminars, and medical congresses, and part of the funds are invested in the development of Alkaloid, according to Mukaetov. For that reason, the health system does not dare turn its back to a pharmaceutical house such as Alkaloid, any more than Alkaloid has the intention of abandoning the Macedonian market. We are being told that our drugs are expensive. I say that this is inaccurate. Temelkovski thinks the same way. He believes that if the Republic were to ask for tenders (something like an auction) we believe that Alkaloid would offer the best possible conditions in terms of quality and cost. For the time being, Macedonia's policy is one of anarchy in the health system.

### No Rules

That such is the case is confirmed by the fact that the Republic has still not passed a law on the marketing of drugs and, in its absence, we continue to work according to the former federal law. This, we can truly say, means that, in general, the sale of drugs is unregulated. Furthermore, in

general, no reregistration of drugs, as required by the other countries, has been organized. Yet it is only on the basis of reregistration that the Macedonian health system would be able to earn funds in amounts not to be underestimated, especially under conditions in which the cash register of the health funds is empty, according to Simonovski, the director in charge of development. Let the registration of a drug not exceed \$1,000. If we consider the amount of drugs produced abroad that are being sold in Macedonia, the amount of money in question will become clear. The market is also left unprotected by the very fact that import permits are not selective, so that anyone could import any drugs he wants without paying customs fees. Furthermore, to this day our Ministry of Health has not requested any change in the labeling. Drugs are being imported, with labeling and instructions written in a great number of languages. In the absence of a new state law, however, Alkaloid is mandated to inscribe the packaging and instructions of its own drugs in the languages of the nations and ethnic groups of the Federal Republic of Yugoslavia, according to the federal law. This is absurd!

This makes clear the chaos which exists in our country in drug production. Unquestionably, cooperation between Alkaloid and the Ministry of Health is unsatisfactory. The people of this big pharmaceutical house are appealing for settling relations, pointing out that the consequences of the current anarchic situation will become particularly apparent in about six months, when humanitarian shipments will become increasingly rare. They claim that they do not wish to be given groundless privileges, although this may be practiced by all other countries. However, they ask of the state to institute reciprocal measures with the pharmaceutical companies abroad. In the present situation, they say, Macedonia is a free shop for drug producers. Who benefits from this?

#### \* Serbian, Bulgarian Black Marketeers Cause Problems

93BA1103D Skopje VECER in Macedonian 26 May 93  
p 10

[Article by B. Trpenoska: "Work and Fistfights"]

[Text] Although the "Skopje market" is being fenced, the local residents claim that this is precisely the cause of this entire situation. The initiative committee of the local residents has asked the competent authorities for help. So far, they have been met with nothing but lack of coordination. Fights have become a structural aspect of market life.

The battle for "cleaning out" Serbian and Bulgarian black marketeers from the Zelenoto Pazarce market, recently initiated by the residents of surrounding buildings, is continuing. The initiative committee of the local residents has sent reports to the chairman of the township center, the Republic Assembly, and the MVR [Ministry of Internal Affairs], and established contacts with the sanitation and market inspectorate, and the town mayor; recently, several of its representatives visited the editorial premises of VECER.

"You cannot imagine what is happening at the market. Vendors from Serbia come most frequently in the evening, at around 2200 hours. They sleep in entryways, build fires to warm themselves and, sometimes stay for two to three days. Furthermore, instead of using the toilets at the market, they use the entrance halls and elevators. Such stench and shouts are no longer tolerable," complained Mihajlo Gligorov, one of the members of the initiative committee. "Furthermore," he added, "prostitution has appeared and I have found a wallet on several occasion in my post office box. I would imagine that it had been stolen."

#### Ideal Conditions for Black-Marketeering

Gligorov's statement was supported by his neighbor Petar Trajkov, who was angry at the fact that the little market is becoming more and more crowded every day because of the numerous resellers. According to him, there was even a rumor that black marketeers are preparing to come over from Albania, having heard that there is this Zelenoto Pazarce market in Skopje where ideal conditions for their activities exist.

According to Trajkov, "What is happening on the little market is a real mistreatment of everyone, not only customers but sellers who since early morning try to find a better place. The worst problem is that the stands have been purchased in advance, so that whenever the larger quantities of fresh vegetables and fruits, the season for which is beginning, will arrive, there will be no place to put them, for the stands will be crowded with various goods that should not be sold here. We (the local residents in the neighboring buildings—editors) would like the market to remain 'green,' as was stipulated in its opening, and not to be used to sell everything, and squeezing out all farm produce. Feeling crowded in the market, the resellers have begun to move toward Auto-makedonija and the parliament building. Furthermore, the request for public facilities at the market has been ignored. Every day several thousand people come here and there are no sanitary facilities. The toilets at the market are left unused, for everything around them smells of ammonia."

#### Outside the Circle

According to the local residents in the surrounding buildings (700 families live in the immediate vicinity of the market, and as many as 3,000 around it), the main culprit for this is the Skopje Market Organization. According to them, that organization does not dare to make decisions. It is particularly blamed for the disturbances outside the stands. According to Dimitar Macev, the deputy general director, whatever happens outside the market is not within their jurisdiction. The local residents, however, believe that without the connivance of the Skopje Market Organization the present situation would not have developed. They claim that the Skopje Market charges for stands to resellers outside the market as well, so that even if it wants to, the MVR cannot chase them away, for they can prove that they have paid the fee

for their activities. The statement by the office of that enterprise that they are no longer charging fees has not convinced the revolted citizens, who believe that the Skopje Market earns so much from resellers that there is no chance that it will give up such profits. According to them, this statement is merely an attempt to calm the spirits and that it is most likely that the old practice will continue.

The revolt of the citizens was intensified by the recent expansion of the market after the fence was moved, thus usurping the use of the alley earmarked for the delivery of goods to the market and to the surrounding shops.

"Skopje Market had no right to do this without a building permit, for which reason it was told to put the fence back. As far as I know, this was done," said Dane Andreevski, deputy chairman of the city's Urban Development Committee.

However, according to the local residents, the fence has been moved several times by them and by the sellers, and fistfights have been used in persuading the other side.

"Wherever we have turned for support and understanding, we have gained the impression that the authorities are uncoordinated and incapable of doing anything. Nonetheless, we shall not give up until we bring some kind of order to the market," Gligorov said.

The battle of the residents for their rights is continuing. The outcome remains to be seen....

#### \* Loss of Yugoslav Market for Tobacco

93BA1095C Skopje NOVA MAKEDONIJA in  
Macedonian 27 May 93 pp 1, 3

[Article by B. Dicevska: "48,000 Tons of Cured Tobacco To Be Purchased"]

[Text] *Tobacco enterprises are asking the Directorate of Republic Commodity Reserves to purchase 20 percent of the total production of cured tobacco from last year's harvest, the value of which amounts to \$16 million.*

Tobacco enterprises are asking the state to purchase 48,000 tons of cured tobacco, which represents 20 percent of last year's harvest. The value of this amount is \$16 million, but payment is to be made in the denar equivalent. More precisely, the direct purchaser of these amounts is to be the Directorate of Republic Commodity Reserves, and it is insisted that particular consideration be given to the proportional participation of the tobacco enterprises in producing the cured tobacco, as well as complete adherence to the current prices in effect on the world market for a certain quality, with the equivalent value expressed in denars.

The tobacco enterprises are thus committing themselves to keep and take care of the purchased tobacco until its sale, and they emphasize that they will not request any difference in the price if it is much higher later on than the one paid during the implementation of the purchase.

As stated at yesterday's meeting of the Tobacco Industry Association at the Macedonian Chamber of Commerce, the tobacco enterprises are insisting on this kind of state intervention in order to alleviate the problems from the blockades that are having an extremely negative effect on this industry's overall performance. During these months of the year, the tobacco industry has been working in considerably more difficult conditions, which is one of the reasons why 1,200 workers went on forced furloughs during April. Above all, it is because of the closure of the former Yugoslav market and the increased difficulty of marketing cured tobacco and cigarettes, which is complicated even more by the blockade of the Federal Republic of Yugoslavia, by the more difficult and expensive transportation to Croatia and Slovenia, the treatment of our cigarettes in those areas as imported ones and their taxation at the highest rate, from 76 to 85 percent, etc.

According to data from Makedonijatabak, so far this year about 2,000 tons of tobacco have been sold for export outside the former Yugoslav markets, valued at \$9.9 million, or the denar equivalent of 198 million denars. During the same period, another 1,085 tons of tobacco were sold to factories in the Republic of Macedonia, and 927 tons to other factories in the former Yugoslavia. The total sales of cured tobacco amount to 3,967 tons, which is 60 percent less than last year. The situation with cigarette sales is similar, and thus only 2,739 tons of cigarettes were sold, of which 972 tons were in the Republic of Macedonia, 437 tons were sold for export, and 1,320 tons were sold for other republics in the former Yugoslavia. That means that the average sales of cigarettes amount to 685 tons a month, which is 35 percent less than planned, or 45.5 percent less than the amounts sold last year.

Nevertheless, the most serious problem is the large obligations for interest on the funds used to purchase last year's harvest. In return for the 933 million denars used, through this month the tobacco industry has to pay the banks interest in the amount of 811 million denars, i.e., for every kilogram it is necessary to pay 35.60 denars in interest, which is not small if one considers that the average purchase price was 29.44 denars for a kilogram of tobacco. This is exhausting the tobacco industry's financial capabilities even further, and thus during this period when intensive work is being done on this year's production, the tobacco industry cannot even intervene by advance payment, or by any other assistance for individual producers. It will not be unusual at all if the purchase is not even started on time, unless interventionary measures are undertaken.

\* Status, Role of Refugees From Aegean Macedonia

93B41104A Skopje PULS in Macedonian 28 May 93 p 13

[Article by Vanjo Hadziev: "The Aegeans and the Macedonian-Greek Negotiations. The Basis on Which the 'Aegeans' Can Influence Macedonian-Greek Relations"]

[Text] Among the fundamental and strategic issues in the negotiations between Macedonia and Greece, at the very beginning appropriate treatment will have to be given to the population of Macedonian citizens originating from the Greek (Aegean) part of Macedonia, commonly called "Aegeans." This is a population (category) of Macedonians which was forced during the 20th century, primarily because of national-political reasons and in dramatic conditions, to abandon their homes, and which consists of about 400,000 people in Macedonia today. That is close to a third of the Macedonian population in the republic, which is very respectable. Although this population, which is significant in size, is an organic part of the Macedonian nation, it objectively maintains strong ties (families, acquaintances, friends, traditions) with the area that it comes from. For that reason, this population is being linked with the most sensitive issue in Greek-Macedonian relations, the issue of the Macedonian minority in Greece.

The Republic of Greece has adopted many legal acts, public and secret, against these "Aegeans": revocation of citizenship, a ban on repatriation, confiscation of property, and denial of other material rights. Official Greece is not satisfied with this. It has even more perfidious plans. An official document from the Greek Foreign Ministry, entitled "Aegeans in the Republic of Macedonia," claims that they have served as an instrument of Skopje.

During the time of the SFRY the official policy, under the conditions of bloc confrontations, allowed itself to manipulate and use the "Aegeans" as an instrument in relations with neighboring Greece. Furthermore, it was precisely the "Aegeans" who got the short end of the stick.

Because of the above-mentioned circumstances, the hysterical cries from malicious and frustrated individuals in the Republic of Macedonia (from Macedonian national circles), who are categorically and slanderously creating a climate for suspicion and intolerance toward the "Aegeans" as allegedly the main culprits behind strained Macedonian-Greek relations, seem hypocritical.

Although the "Aegeans" are not a party to the negotiations, they nevertheless can and should have active participation and influence upon the formation of Macedonian-Greek relations on the following basis:

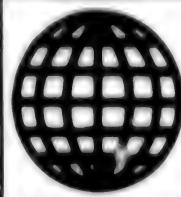
- The Aegean population cannot be either more Macedonian or more patriotic than other Macedonians and patriots.
- As Macedonians with equal rights, they openly represent their specific interests, taking into account general state priorities.
- The "Aegeans" are the ones most interested in lasting good-neighborly relations between Macedonia and Greece. They can have the ambition of not being an apple of discord, but rather a true bridge for rapprochement between the two countries and peoples.
- Although we are genetically and spiritually part of our relatives in Greece, the "Aegeans" nevertheless do not want to and cannot interfere in Greece's internal affairs, especially in the imposition or erasure of national minorities. They think that the national identity of their relatives in Greece is exclusively their right, which they will resolve within the framework of the Greek state's institutions and international norms.
- It is irritating when the "Aegeans" push ahead of others, adopting a hasty and unfortunately wrong position on general and fundamental state issues (the flag, the seal, the name, care for refugees, etc.).
- Like the vast majority of the Macedonian population, the Aegean population approves of the general policy conducted by the Republic of Macedonia, and especially the orientation in Macedonian-Greek relations.

**END OF**

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# ***Daily Report—***

## ***Supplement***

# **East Europe**

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# East Europe SUPPLEMENT

JPRS-EER-93-062-S

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1 July 1993

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\* **Potential for Union of Noncommunist Left Assessed**

93EP0281A Warsaw *POLITYKA* in Polish No 23.  
5 Jun 93 p 11

[Article by Ryszard Bugaj, leader of Union of Labor: "Why a Strong Left; Too Soon for Integration; Great Debate Needed"]

[Text] In issue No. 21 of *POLITYKA*, Piotr Ikonowicz calls leftist groups to unity and the proclamation of a revolutionary alternative platform. He also calls on me, so it is appropriate to respond.

The idea for the Union of Labor was and is a concept for the integration of leftist circles. Four of them formed the Union of Labor: Labor Solidarity, the Democratic Social Movement, the Great Poland Social Democratic Union, and a large part of the Polish Socialist Party [PPS]. The concept did not include the SdRP [Social Democracy of the Polish Republic] because that party emerged more as a coalition of people from the old system of communist rule who sought a place for themselves in the new Poland than as a concept for restoring the left.

A strong left must be built from the bottom up in Poland, in opposition not only to the right (in both its forms, the rightist-liberal and the rightist-traditionalist) but to the communists as well. If one accepts that, one most likely must acknowledge that the new left cannot be built on the foundation of a postcommunist organization, especially because it is not inclined to cut itself off from the past and concentrates many prominent people from the time of the PRL [Polish People's Republic]. I do not believe that building a new Polish left is well served by forgetting about history, which in no way means acceptance of the notion of so-called decommunization. Of course, the SdRP does not threaten democracy, but the description offered by the leadership of that party—we, the democratic left—is an abuse of history.

Perhaps the SdRP will change. Perhaps what it has announced in its platform will be authenticated, and its leadership will change. Then conditions will emerge that will permit another step toward integration, a politically logical step, one that does not disturb ethical standards, for which there should also be a place in politics. But it could be otherwise: The SdRP could become even more the party of nostalgia for the PRL and operate for the long term as a postcommunist party. That is more or less the position of the French Communist Party, and Mr. Leszek Miller seems to me to be a rather good candidate for chairman in the style of Georges Marchais.

Today people with leftist sympathies should, I believe, have a choice of whether they want to support the postcommunist SdRP or the new left the Union of Labor is trying to build.

I think it is not worth speculating today about integration of the postcommunist and post-Solidarity left. Of

course, parliamentary alliances are something else. In parliament, there are hundreds of practical matters to take care of, and one has to seek the support of everyone who can offer support on a given matter.

I think the practical question of Piotr Ikonowicz and the PPS is not integration of the left but whether to move closer to the SdRP or the Union of Labor, although, theoretically, there is a chance for the PPS to seek electoral support independently. In any case, that coming together also assumes agreement on a platform. I do not think that Ikonowicz could, as he did at the OPZZ [All-Polish Trade Unions Agreement] rally in May, by the force of his own persuasiveness, affect a decision of the SLD [Democratic Left Alliance] in a matter such as universal privatization. I think Ikonowicz does not appreciate that the SLD and the SdRP have their support, above all, in the electorate of people pining for the PRL. To them, more important than a platform is the fact that the SdRP is led by figures who were prominent before 1989. That is why the SLD can afford a great deal of flexibility in its actions, without the threat of losing the minimum level of voter support. In the case of the Union of Labor, there would undoubtedly be trouble with certain very revolutionary PPS ideas. In the past, PPS rhetoric directed against any kind of agreement with the Monetary Fund was unacceptable to us. Exotic ideas even turn up in Ikonowicz's text in the last *POLITYKA*. I am referring to his idea for a common East European currency.

Of course, it is hard to disagree with Piotr Ikonowicz that a great debate on the left is needed. After the fall of communism, it was not so much that history ended as that a new chapter opened, and the ideas of both the left and right must acquire new forms.

In the Union of Labor circle, we publish a modest monthly (*PRZEGLAD SPOŁECZNY*). We try to take up key matters that arise mainly from the challenges of systemic transformation. That is how we see the debate. But we do not believe that the debate could be based on an exchange of political assertions.

\* **Investment in Russian, Other CIS Markets Detailed**

93EP0279B Poznan *WPROST* in Polish No 22.  
30 May 93 pp 37-38

[Article by Miroslaw Cielecki: "Trade Business"]

[Text] In post-Soviet markets, the most active investors are: Marek Mikusiewicz, Tadeusz Mackowiak, Marek Profus, Krzysztof Habich, Sergiusz Martyniuk, and Rudolf Skowronski.

"Wokulski was there first" is how the firm Inter Commerce of Warsaw advertises its role in sales of Polish goods in Russia.

"Wokulski would not have a chance now," says Marek Mikuskiewicz, one of the first businessmen attempting to do business in the countries of the former USSR.

Also among the first Polish private enterprises that decided to begin operations beyond our Eastern boundary was Refleks, from Warsaw. The firm has opened offices in the 16 capitals of the former republics of the USSR.

"At the beginning of the 1990's, we were left with a mound of goods that there was no way to sell in Poland. It seemed to us that we could sell everything favorably in the Soviet Union," says Miroslaw Madejski, the firm's head.

Marek Profus also went east with his capital (a network of department stores in Russia, a partnership in the food and meat industries). His initial success is shown by the fact that he bought the soccer team from Voronezh, which is in the first league. Tadeusz Mackowiak, the owner of MT Team Holding Corp., Ltd., of Warsaw, opened offices in St. Petersburg and Kaliningrad (turnover last year, about 25 billion zloty [Z]). Krzysztof Strykier (DAB Poland) runs four partnerships beyond the Eastern boundary: two are located in Ukraine, one in Moscow, and one in Arkhangelsk. They process and export cellulose.

Marek Mikuskiewicz owns 70 percent of the stock in a bank in Moscow that he founded and a food-processing plant.

In 1992, the Partnership Unique Business Activity exported to Russia goods valued at about \$5 million (including canned goods, meat, and potatoes). It maintains contacts with well-known Russian firms—for example, Prodintorg and Vneshnitorz. Rudolf Skowronski's Inter Commerce earns its keep in trade with the East (offices in Moscow and St. Petersburg) as a result of the recession on the Polish market.

Arkadiusz Fenicki has organized a firm, PC-ARK, SA, in the East. PC-ARK-K, located in Kaliningrad, provides work for about 400 seamstresses in a few of the factories located there. Krzysztof Habich's holding company, Przymierze, includes partnerships from China and Hungary and from the countries of the CIS. Habich also owns 50 percent of the stock in the Belarusian holding company Ankor. Jan Czogala of the holding company Agrohansa sells Polish dairy products in Russia. Sergiusz Martyniuk from Bialystok at first carried on trade with Belarus, later began to sell gravestones, and finally began to assemble tractors from Belarus at the former Narwia State Machine Station, where he also formed the Bielnar enterprise (light industry, trade in food goods).

Piotr Guzowski, the director of the Polish Belarusian Chamber of Commerce, estimates that more than 100 firms wholly owned by Poles and more than 300 joint ventures operate in Belarus.

In 1992, Poland exported goods valued at approximately \$1 billion to Belarus.

At the information bank of the Office of the Trade Counsellor in Moscow, there are offers from about 200 Polish enterprises interested in cooperating with Russia (including 20 in agriculture and food, 15 in light industry, five in the timber industry, five in chemicals and pharmaceuticals, 10 in construction and raw materials, 15 in metals, and 15 in trade and services). They are, however, chiefly state and privatized firms that have long done business on the Russian market (for example, Ciech, Bartimpex, and Elektrim). Private firms have not yet made any offers.

Economic cooperation between Poland and Ukraine is also not developing, chiefly as a result of irrational fears by Ukrainians of Polish domination in Ukraine.

Until a few years ago, the Soviet Union was Poland's largest trading partner (28 percent of Polish exports). Now we sell only about 10 percent of our goods in the East.

"Such a rapid resignation from the eastern markets, especially the Russian market, is not economically justified and is not in Poland's national interest," warns Bogdan Partycki, the president of the board of Unique Business Activity. "Which of the foreign partners will stay in the East and which are to be eliminated will be decided in the near future."

"Operations in the former USSR were most profitable from the middle of 1991 to the fall of 1992," Leszek Grudzien of Multico thinks. "Imports of attractive raw materials and semifinished goods, and sales of consumer goods were most profitable."

During that period in Russia and Ukraine, a rigid domestic price level was maintained, a low level of import duties and export obstacles; the approach to foreign-trade operations was also fairly liberal. The range of licensing for exports was less narrow, and there was greater access to the licenses. Later, everything changed.

Recently, Borys Yeltsin publicly criticized the Russian Ministry of Foreign Affairs for its delay in renewing and developing relations with the countries of the former Eastern bloc. Polish entrepreneurs complain most of all about the bureaucracy and the chaos of authority in issuing permits, concessions, and licenses, about the passivity of foreign partners in the face of the officials, about the bureaucratic relations, about the criminal world, and about the instability and the incoherence of the economic regulations.

Russian partners are frequently unreliable.

The rampant hyperinflation in Russia and the other post-Soviet countries prevents rational calculation of any enterprise. The final stage of trade, customs, and the transfer of goods across the border resembles a horror film.

Private firms from the other countries of the former Eastern bloc are also not doing a brisk business in Russia, Belarus, or Ukraine. They are even having more difficulties than Polish entrepreneurs. The Russians, however, prefer contacts with firms from the Czech Republic, Hungary, or Bulgaria because a general climate of resentment has not developed around them there.

"Polish state industry is falling out of the game in the markets of the former USSR almost at its own request," says Leszek Grudzien. "It is not seeking any new forms of cooperation and casts the blame for failure on the government or on so-called objective difficulties."

The Italians, the Germans, the French, and the Americans are filling the vacated places.

"How can we compete with them if, in accordance with Polish law, we can only export \$10,000 from Poland?" asks Tadeusz Mackowiak.

"Polish banks are not interested in loan operations for business in the East; they consider it too risky," says Miroslaw Madejski.

Although interested in business expansion to the East, the Polish Government cannot afford to subsidize promotion on those markets, provide loan guarantees, or insure transactions. The governments of Western countries are doing all of those.

In Poland, there is no institution to assist private firms in making contacts.

The chamber of commerce is just learning to crawl, and the state enterprises are the primary clients of the Offices of Trade Counsel. The heads of private firms say that the Offices of Trade Counsel as now organized are not prepared for new forms of cooperation. They also fear their unreliability and incomplete knowledge of market conditions. The significant costs of promotion or representation by the Offices of Trade Counsel are also an obstacle.

"In spite of its current difficulties, however, Poland finds itself in a privileged position in comparison to the Western countries," Bogdan Partycki thinks. "The common Slavic background makes communication easier. One can attempt to take advantage of the economic contacts from the CEMA period. Geographical location is also a trump card."

"One can do very good business by joining the East and the West," says Arkadiusz Fenicki.

Fenicki's PC-ARK-K uses Russian raw materials to produce clothing in Kaliningrad and then sells it in Germany. Last year, the turnover of the Berlin store of PC-ARK-K was estimated at approximately 3 million German marks. The firm's brains are located in Warsaw.

According to Leszek Grudzien of Multico, the basic advantage of Polish firms is the existing network of

contacts, offices, and representatives. Polish entrepreneurs are also very resistant to the difficulties that occur locally.

Recently, Polish firms have begun to lose their previous advantages on the post-Soviet market. Madejski's Refleks has been forced to close or suspend the operations of its affiliates. Marek Mikuskiewicz has been burned in that market. Other businessmen speak with less optimism of their businesses in the East than last year. The archaic form of barter remains the dominant form of exchange of goods, which, given the transportation problems and the border difficulties, further discourages contacts.

#### \* Growing Difficulties of Fishing Industry Examined

93EP02804 Warsaw ZYCIE GOSPODARCZE in Polish No 22, 30 May 93 p 4

[Unattributed article: "Empty Nets"]

[Text] The Polish fishing fleet did not go out into the oceans until the mid-1950's. Therefore, it has much less experience in that type of fishing than in fishing on the Baltic. But the past 40 years have been enough to allow it to gain some experience there, also. However, the present state of the deep-sea fishing enterprises leads to the sad conclusion that that experience may be disastrous for them.

For years, the only worry the fishermen had was to meet their quota. They fished with no problems on the Northwest Atlantic and on the coasts of Antarctica and West Africa. One record after another was broken. Finally, after achieving the greatest success in history—794,000 tons in 1979—the era of the gradual decline in the gifts of the distant seas began.

#### The Fall of the Open Seas

Since the mid-1980's, many Polish fishing boats have moved to the Northwest Pacific. The international waters of the Bering Sea, where fishing was free, became the home of the hake. In 1988, almost 300,000 tons of fish fell into our nets there. But that is now history. Because of heavy commercial exploitation by the fleets operating there (Japanese, Russian, American, North Korean, Chinese—and, of course, Polish), the Bering Sea fishing grounds have been exhausted. The main culprits of the damage done to the natural resources of that water region, more in their own interest than from any lofty ecological motives, agreed, therefore, to temporarily suspend fishing in the central part of it until 1995.

For the fleets of the countries that signed that agreement, it means that they must move somewhere else. For the Polish deep-sea fishing fleet, that is a very serious blow because it jeopardizes its further existence. There simply is no other place to send our boats. In the first half of the past decade, the coastal fisheries throughout the world, in a 200-mile zone, were appropriated by the countries

that have access to the open sea. So-called strictly economic zones arose, in which the entry of foreign-flag fishing units is dependent upon their purchasing licenses for catches of a closely defined amount (quota) of particular kinds of fish.

For all practical purposes, the only generally accessible fishing region for us now is a narrow band of international waters on the Okhotsk Sea. The policy of the Russian authorities, who control the waters that surround it, is aimed at forcing foreign fleets out of that little fragment, using as their main argument the need to protect the resources of the Okhotsk Sea against overfishing. That is a dubious argument, Polish fisherman say, if only because that miniature fishing ground is surrounded by a huge expanse of economic zone waters. On the other hand, it is true that, due to its accessibility, it is extremely popular, especially for East Asian fishermen. The crush is so great that the number of cases of ships netting their own fish-processing wastes, garbage thrown overboard, and so forth is steadily increasing.

The fact that new fishing grounds must be sought is nothing new. Unfortunately, all we do is talk about it and nothing more. Conferences, analyses, and reviews of the situation have not produced any results, aside from determining that things are bad. The Baltic fishing industry will not fill the gap because it cannot, because it has suffered a big decline itself (see ZYCIE GOSPODARCZE No. 6, 7 February 1993, article titled "Fish Have No Voice.") The situation is getting bleaker and bleaker, while the expectation is, as normally in our country, that it will improve by itself.

The fishing industries are trying on their own to emerge from that oppression—we write about it. But those efforts are wasted if they are not supported, if the government organs do not prepare the ground for them. The expectations take two directions—first, the assurance that there will be as many new fishing grounds in the world as possible. There the role of the Ministry of Transportation and Navigation cannot be overstated, and the Ministry of Foreign Economic Cooperation and the Ministry of Foreign Affairs, as well. The second aspect is the development of the assumptions of a prudent fishing economy, giving deep-sea fisherman an opportunity to escape from the trap set by a wrongly interpreted free-market policy. The main organ to which that is addressed is the Ministry of Finance.

#### Are There No Fishing Grounds?

The dramatic cry "There are no fishing grounds for us" is not completely realistic. However, it is true that there no longer are fishing grounds on which nets can be further stretched without paying compensation to the owners of the 200-mile economic zones. The fishermen have every basis to demand that the officials in the ministries begin negotiations between governments in that matter and then protect Polish interests in the world. There is a great deal to be done in that area.

Also, the statement that we cannot afford to pay fees in foreign economic zones is not defensible. Fishermen employed by "Odra" Fisheries and Fishing Facilities Enterprise in Swinoujscie say: "There are shelves that have practically not been exploited—for example, the Patagonian shelves. Only the small fleets "troll" there. There are Peruvian, Chilean, Argentinian, and Brazilian shelves. Of course, before you cast there, you have to pay. But has anyone conducted an honest analysis as to whether it is worth the cost? No. As soon as the sum of \$200 per ton is mentioned, everyone becomes frightened. We sell a ton of filleted fish for \$1,800-2,000. To get that, we have to pull out about five tons of fish. We can bring the fee down a little by haggling, perhaps paying half in fillets or fish meal. Has anyone ever calculated that with pencil in hand?

There have to be fish on the Argentinian shelf. The Argentines themselves want to clean out the fish stocks because the shoals are bug-infested, and fish become sickly in unexploited fishing grounds. Three or four years of catches and the stocks will recover naturally. But who is supposed to sign intergovernmental contracts? After all, not Odra, Gryf, or Dalmor. We do not believe there is no access to shelves, unless we are talking about Iceland, which lives exclusively off fishing and will not let foreign ships into their waters for any amount of money. But Norway—why not? After all, we "trolled" on the Norwegian Channel and the White Sea, and others are going there, so it can be done. All we have to learn is how much it will cost.

Fishing is not suspended in a vacuum, say the fishermen from Swinoujscie. It operates on the basis of international law, with the law of the sea in the lead. The government should provide a framework of cooperation on the shelves, with the legal entity managing them. It will be the task of the shipowner, with the help of his agents throughout the world, to prepare a specific contract and find a partner to do business with—they say.

#### In Search of a Strategy

There is no doubt that world politics, intermixed with the protection of parochial national interests, as well as the interests of economic communities (see EEC), creates an exceptional juncture of conditions, making it difficult to find a simple modus vivendi for deep-sea Polish fishery.

In addition, that is complicated by the meanderings of our own economy, with all of the characteristic, for it, baggage of problems of the transformation period. In any case, those are phenomena that, naturally, must filter through. Deep-sea fishing, although it has a domestic identity card, for all practical purposes leads economic activity outside the country.

In 1991, the enterprises in that branch sold fish and fish products abroad estimated at \$250 million (last year, it is estimated, it was only \$150 million), which constituted 1.8 percent of Polish export. For a couple of years, it has been earmarking 90-95 percent of its production for

export. But that cannot be attributed to a predilection for demonstrating a foreign-exchange account, or a civic duty to legitimize itself through export—those times have already passed. Economic conditions, mainly expensive turnover credit in our country, force it to do that.

For enterprises with slow capital turnover—and after all, from the time of entry into the sea until the moment the product is sold, many months pass—that is a credit that cannot be absorbed. Under those conditions, turnover on foreign markets was chosen for foreign money and services for foreign clients.

The main sales market is Western Europe (80 percent of export), and Japan is next. Then come Canada and the United States. The unrest this year of fishermen in EEC countries showed that that largest sales market of ours does not appear to be at all safe. Referring to the large growth of import of fish from third countries (and those include Russia, Norway, Iceland, and Poland), at prices clearly below those offered by its own fisherman, the EEC applied minimum import prices late in February of this year on white fish (including cod, haddock, and hake). Those prices are to be in effect until 30 June.

It should be added that 30-40 percent of those fish on the EEC market are imported from precisely those countries. It was they, therefore, that were blamed for the 15-to-30-percent drop in prices. The "fish" war continues. In some measure, the recurring blockades of domestic ports by our own Baltic fishermen are a fragment of that war (at least the reasons for it are identical). It appears that catching the fish is not everything.

In the EEC countries, where, incidentally, the state and the equipment of the fleet greatly exceed its fishing capacity (by approximately 40 percent, it is estimated), the fishing industry receives subsidies for modernization and further expansion of potential, for processing, and for marketing. Therefore, that will be a region increasingly difficult to maintain. France supports its fishermen (although they had to resort to street disturbances), as do the Scandinavian countries. The decisions made this year on minimum prices by the EC Commission can be regarded as a kind of portent that the situation will become further complicated, although there are constant assurances that the market there is free and not constrained by anything.

Polish shipowners, present for years on the most difficult foreign markets, have learned to compete with the best. To this day, the quality of their products and services surpasses those of many renowned Western fishing enterprises, and certainly the Russian and the Korean.

But no one is standing still. Thus, the period of stagnation may turn out to be the beginning of the end for Polish fishermen.

### Three on a Raft

The weak point of all three fishing enterprises—Dalmor, Gryfa, and Odra—is lack of turnover capital. The subsidies and low interest rate bank credits that they benefited from until August 1990 are a matter of history. But forcing them to make a choice between using credit on general terms and sinking appears to be an unacceptable alternative because not only will the shipowners, whose fleet alone is worth 3 trillion zlotys [Z], sink, but also they will take with them an army of people (together with families estimated at 100,000 people) who will lose their jobs.

A system of supplements to the bank credits designated for financing the procurement and storage of fish stocks has been built into this year's budget. The size of the preferential credits for that purpose has been estimated at Z330 million (of which Z80 million is for Baltic fishing and Z250 million for deep-sea fishing). That operation will cost the state treasury approximately Z40 million. (We described the mechanism for improving economic conditions in the fishing branch in the above-mentioned series "Fish Have No Voice," ZYCIE GOS-PODARCZE No. 6).

Furthermore, the shipowners are demanding that supplemental compensation payments be applied to imported fish and fish products or, to put it candidly, higher duties on them. Finally, they expect that the state will formulate policy assumptions on matters of such vital interest to them.

Changes are taking place in the fishing enterprises. They are dividing, transforming, downsizing, and forming companies. There is no lack of reasonable ideas. Fishermen from the Swinoujscie Odra, with whom we talked for a good part of the day, say, for example:

*As a matter of fact, we can imagine a fishing firm operated by a few people. The rest of the work force would be on the sea. It may be that a repair facility is not necessary because the vessels, once they leave, do not return here at all. It may also turn out that 80 percent of the crew from the land facility will not find employment. Let us also imagine that maintenance of a permanent fishing crew ceases to be necessary. For example, in the Netherlands, fisherman are recruited for specific trips. They walk off one deck and sign on to another fishing vessel. All of that could be done here but to do it takes time, a change in mentality, a style of work, another system of remuneration. Will we be allowed to survive until such changes are made, or will the sick economy sink the firm first?*

**Federal****\* Lilic Interviewed on Current Issues**

AU2806182893 Belgrade RTB Television Network in Serbo-Croatian 2017 GMT 27 Jun 93

[Interview with FRY President Zoran Lilic by Milica Ostojic-Pusara in the Belgrade Television studio; date not given—recorded]

[Text] [Ostojic-Pusara] So far, you have held the post of chairman of the National Assembly of the Republic of Yugoslavia. If I am not mistaken, we met in this very same studio five months ago. Now you have been put forward as the FRY president by the club of deputies of the Socialist Party of Serbia [SPS], with the support of the Serbian Radical Party and the Democratic Party of Socialists of Montenegro. In the explanation by the SPS club of deputies, it is stated, among other things, that you have so far conscientiously performed all the tasks in all the posts entrusted to you. This naturally also includes the post of Serbian Assembly chairman. Could you perhaps summarize the past five months? [Lilic] First of all, allow me to greet all the FRY citizens and those who have it in their hearts, regardless of whether they are on our territories or not. I would also like to greet all the employees of the Radio and Television Serbia. Regarding my work in the National Assembly of Serbia, I believe that only in the future will one be in a position to pass a true judgment on it, although there have already been various assessments. The only thing that we will all manage to agree on is that they function in truly difficult, extremely difficult, times in which, perhaps, many people tried to play politics rather than discuss the true issues. My desire was, and still is, and I will strive in this post as much as possible to influence discussions in the FRY Assembly—and I suggest that this also be done in the republic parliaments—to primarily concern mundane yet essential issues that so often have such a strong influence on the life of all our citizens and which should really dominate over the political issues. Time will show to what degree I have actually succeeded in this. My desire was that, in a tolerant spirit—although<sup>b</sup> there are assessments that it has not always been quite that way—in an atmosphere that should primarily acknowledge the difference of opinions as well as the will of the majority, that we reach a joint goal that should be a step toward something better for all of our citizens—at that time, for the citizens of the Republic of Serbia, but in this new position, for all the citizens of the FRY—that is, for the citizens of Montenegro, too. I hope that we will succeed in this if there is at least a minimum of consensus, which I tried to achieve in the National Assembly of Serbia. I truly do not know whether I succeeded or not. I would like to hope, at least, that the return of some opposition deputies to the parliament means that we agreed that the parliament is the only right place to resolve all the problems that have accumulated, either in a clash of our programs or our ideas; we must work like this because it is for them that we are there, and in order to integrate this knowledge toward

what is called improvement to find a solution for our population and primarily because of them. [sentence as heard] At the end of the day, we have arrived here by their will. [Ostojic-Pusara] When you were elected Assembly chairman five months ago, well-intentioned people said that a man without the burden of the past came to the post. This naturally also refers to this appointment and this post. In five months, you have not earned it. [sentence as heard] Does this mean that such a personality could be more radical in his proposals, assessments, and demands? Well, you will agree with me that one of the most famous Latin proverbs—with all due respect for their Latin wisdom and shrewdness—that history is the teacher of the past, a teacher in general—that is, history is the teacher of life. However, it is my opinion—and I do not know whether everybody will agree with me, although I would like them to—that we should cherish our cultural tradition and all other traditions and draw all lessons from history, but it is my belief and motto that we must turn to the future and do everything with a view to pulling out of the past everything that we can use to move forward. A brilliant book entitled *The Time of Discontinuity* by Peter Drucker says that we must never ask ourselves what tomorrow is going to be like; we must do everything today in order to be able to really experience tomorrow. That is perhaps at least a partial response to your question on my view of the relation between the past, present, and future. What I would like to say and thereby in a way formulate my response to your question—and this response may last a little longer—in any case, we will have time later to shorten that. [Ostojic-Pusara] Please do. This is why you are here after all. [Lilic] The policy that the FRY president implements and should implement is not and should not be any kind of special policy. I do not think that it can be the policy of the FRY president. It must, above all, be a part of all political activities on this territory of ours that are in accordance with the policies of the Republic of Serbia, the Republic of Montenegro, and of course, the federal state. It must be in accordance with my constitutional obligations and the existing laws and must by no means neglect them. It must by no means be a specific and my (?special) policy. What I would like to achieve—and I think that if we achieve it all together, we shall take a major step forward—is to reach at least a minimal consensus regarding key state interests. I spoke a little about them on that day when I was promoted, since these were not direct elections but elections at the Federal Assembly by Federal deputies when I was given confidence as the FRY president. Above all, I think that we should try to preserve peace in these regions. I do not think that there is anything more valuable than working toward realizing peace on the territory of the former Yugoslavia, even in a much more active and better-argued way. The world must realize the truth—we are persistently trying to convey it, and I think that we are on the right road of achieving that. Unfortunately, we as the Republic of Serbia, or the Republic of Montenegro, or the FRY did not manage within a long-lasting peace process to avoid war activities that took place through

other people's will and which brought about many innocent victims, horrible destructions, and a horrible material loss that would probably have certain consequences even after many years when—and I deeply believe in this—we establish a peace process that must be a prerequisite for something else that I think should represent one of the key national interests—solving the accumulated economic problems in the country. Let me for a moment go back to achieving peace [pauses] to implementing further peace processes and reaching that desired aim we call peace. I think that what is happening now is good and that it is good that this peace will not be detrimental to the Serbian people living outside the FRY borders. What is also important is that it must be in the interest of the entire Serbian and Montenegrin people and all FRY citizens. I think that this will be something that we all must strive for and which, I deeply believe, is not so far from reality. Regarding the solving of accumulated economic problems in the country, as you know, I used to work in the economic sphere for a long time, and that position enabled me to have a specific and considerably different insight into what is happening in our country at the moment and, of course, to know about all economic events. We must view all problems both in the micro and macro plane. Malicious people will probably say that the state should not be identified with an enterprise no matter what its size is, but I think that the order existing in an enterprise, the activities necessary for that enterprise to be able to function, and the time needed to make decisions crucial for the work of the enterprise, may be compared with the functioning of a state to a certain extent, particularly regarding the costs of such a huge apparatus, and the inefficiency that I would simply call the bureaucratic apparatus still existing in our administration. It will certainly be one of my obligations to make this apparatus and some other institutions that considerably burden our state (?regarding cost) much more economical. What is unsatisfactory is that—if I may be so bold as to say so, even if someone does not like it, even if it hurts someone, because unfortunately times are such that we, including I, must be extremely realistic—we have an increase in so-called nonproductive expenditures, while at the same time we have a decrease in the social product. Therefore, we will all have to carry the burden of these sanctions to a significant degree, or as much as possible. I am not a demagogue, and with some kind of specialization in production, which we will have in the following days and following months, along with a different policy of industrial development, and with the stimulation of those branches which really do have something to do and can do it, we will have to use the labor of functioning firms to secure enough funds and goods to service those structures, economic branches, and employees that cannot function in these conditions. I think this is a significant assignment, which all three governments will have to discuss seriously in the near future. However, I would like to add that it should make one happy, and it does make me happy personally, that we have achieved a level of cooperation between our governments. What is extremely important is that the activities that we are

going to implement are maximally synchronized and that in an atmosphere of mutual trust, without the fear that someone else will do something that is outside our agreements, we will be able to secure for our citizens the minimum that is necessary to overcome the sanctions. A third thing is something I would certainly stress as being one of the crucial interests, and that is primarily the struggle for the easing and total suspension of the sanctions. I think that this is one of our most important tasks, and I believe that in the situation we are in currently we do not need to discuss further how they were imposed, whether they are justified, unjustified, or inhuman. I think that this is something that has really never been seen before in these areas [Lilic is interrupted by the interviewer] [Ostojic-Pusara] We will discuss this in the course of the program. [Lilic] I would just want to add a fourth thing, which I certainly consider to be the most important thing, and that is the protection of the integrity and sovereignty of our country, its security, and the functioning of it as a civic state. I believe that when I say the functioning of it as a civic state, we can compare this to the national interest and we must guarantee our citizens absolute protection and absolute freedom, so that in such an atmosphere, with such activities, I believe we really do have a chance and I am an eternal optimist. With a lot of work and a lot of knowledge, I believe we will achieve some kind of goal. To put it precisely, if you will allow me to sum all this up and to answer your question, when my radicalism is the issue it can only be present in the fact that first of all, as an individual, second as someone who has come from the economic field where the law of superiority on the market rules. I really believe that we must do a lot of work, be a lot more realistic, and to prepare for what will come tomorrow. I will tell you an anecdote. I said a while ago that I would do so in the course of the program, but I did not tell it, but it can be very educational. After a plane crash, two businessmen were lucky enough to have parachutes, so they were able to land without too much trouble. There were no accidents, and they landed in a savanna. Suddenly, a lion appeared before them who was obviously very, very excited and very, very hungry. One of the two immediately reached for his gym bag instead of the elegant shoes he had been wearing, having been on his way to a very important business meeting. The other man asked him whether he thought that he would be able to escape the lion, that he would be faster than the lion. No, said the other, but I think I will be faster than you. Therefore, I think that this is educational enough and that it expresses everything I wanted to say. We have to prepare so that tomorrow we can be faster than others on the truly cruel international market, at the truly cruel international market place [pijaca]. We must do everything to restore Yugoslavia to its rightful place, where it objectively used to be, and I am sure that both the citizens of Montenegro and the citizens of the Republic of Serbia will do so with the maximal engagement of those whom they have chosen and whom they trust to lead this country. [Ostojic-Pusara] Thank you. When I mentioned radicalism, therefore, your possible radicalism, I was of course thinking that you are not yet 40

years old, and that, like someone recently wrote in the press, a generation of practical intellectuals is rising to power, a generation of politicians in jeans. Please take this with reserve, you are always elegantly attired. This radicalism of course, understands that in parliaments, you spoke about Montenegro, Serbia, and about this necessary accord when it comes to solving big and vital problems for this country. [sentence as heard] Maybe we should talk about the extent to which politics is dominant in parliaments, both republic and federal, and to what extent economics should become what politics has been so far. Politics should make room for economics and the solving of problems in the field of production. [Lilic] Well, I fit into this mold exactly. If this is the radicalism you have in mind, then I am this type of person, yes. [Ostojic-Pusara] You are a man who was a very successful manager and coordinator in production, we know that, it was a Rakovica [Serbian town where Lilic worked] record. [Lilic] That is what they say, we will see. [Ostojic-Pusara] Yes, others say so. Therefore [interviewer is interrupted by Lilic] [Lilic] [laughs] I am joking. Yes, let us not mention those times. Those times are very precious to me, and I think back to those days with nostalgia. I believe that those days are a time, a path, which everyone should go through. They might then differently measure certain values that may be sometimes so abstract to politicians that they take a different view of them. [Ostojic-Pusara] Let me say this, if it is wise that you have gone the route from apple-picker and gooseberry-picker at a time when you graduated from college, got married, and did not have a job, this means that you have every right to call on people to work at jobs for which they were not educated. But anyone can pick apples and gooseberries, right? [Lilic] That is true, sure. I explained to you a while ago when we were speaking before the program why I did this. I think this is an additional experience, very precious, for me at least. I met a lot of wonderful people, made significant friends, and gained life experience, which, as you can see, can be found even on apple plantations, maybe not on the international scene. This is primarily what is held against us, that the international public is not well acquainted with us. I think that this is a time that will show something else. Let me speak about the economy. I believe that the economy is a condition, or if you like, a precondition for everything, and if we win this battle. [sentence as heard] Not only am I convinced, but I am certain that it is our greatest enemy on the territory of the Federal Republic of Yugoslavia. The situation we are in has been forced on us from outside, but it is now present and it is precisely this economic situation that exceptionally affects our citizens. We must overcome it. I think [pauses] since your question was why the Assembly does not concern itself with the economy more than with political issues, well, perhaps someone wants us to deal more with political issues. However, I think that we have to keep in mind that the republics' Constitutions and the FRY Constitution, as well as the regulations, oblige the deputies to discuss all the issues that are within their authority and from all spheres of life. But the thing I would like to say is that the previous period, the last

couple of months, has probably changed some things considerably, particularly this last week, [laughs] with the exception of this last week, which was as it was, when the nomination of the new president of the state was discussed, including that of the chairman of the Chamber of Citizens, and so on. I think that it is a step forward in the economy. I was a deputy in the last assembly, in 1990. I was really revolted because there was not more discussion about economic issues. I even took the floor once to say that I would walk out of the Serbian Assembly unless such topics were put on the agenda. I think that the situation is significantly different now—the war on the territory of the former Yugoslavia is letting up, the peace we have spoken about is closer, and the conditions for the alleviating of the sanctions are there—all this will contribute to economic issues, issues from everyday life reaching the agenda. What makes me happy is that we have recently passed the law on, for example, the bank of Yugoslavia, that other laws have been prepared, that the law on companies is being prepared, and so we are going in the direction where, I use the term more life instead of more economics will be in the assembly procedure. I am convinced that all deputies will understand that the only thing the people can live on are new products. We have to create conditions for a better life for all our subjects. These economic topics have to be turned into legal projects, and thus the general political and economic environment will be created. I think we will have to forget the time when politics created the economy and turn to some other reality. Whether we want it or not, it will happen to us—the economy will create politics and it is the only thing we should really turn to, where everyone, of course, has to do his bit. Politicians and diplomats should do their bit, and the Assembly should create laws as they should be. We cannot speak of a market economy, but we can speak of an economy that can stimulate those who can work and those who can produce, and I have already said why—because that is where we can get some goods and can service the needs of those who cannot work. I do not think it is right to speak about a mass dismissal of workers, creating more social tension, and so on, under these circumstances. The state is obliged to provide, and it has to provide the so-called existential minimum, but it is also the duty of all of us to help the state within our means by doing our share. Of course, that means each of us individually. [Ostojic-Pusara] In your inaugural address after being sworn in, you agreed with the program of the Federal Government that was recently passed. Now, this program is supposed to be realized. [Lilic] I have said something about it already. I think it is really necessary, and I am not speaking of any individual ministry or program, but I think that all three governments must synchronize their activities competently and expertly. They should not wait. There is no more time for waiting. Time has absolutely run out when it comes to the economy. They should all act in a synchronized manner with this package of measures, everyone in his own field of activity and all those things that were presented in the Federal Assembly and what Prime Minister Kontic said and what Serbian Prime Minister

Nikola Sainovic presented in the republic assembly, all these things have to be implemented. I really think there is no more time to talk about whether a new package of measures is needed or whether inflation should be reduced. We are in the worst inflation spiral. I believe that the economists, and if I make a mistake, they will forgive me, since I am not an economist, for this (?inflation pause) when there is no production, while the [level of] consumption is the same or even greater. [sentence as heard] This inevitably leads to the complete disintegration of the economic system, if we can call this an economic system. Therefore, a whole combination of measures must be implemented when it comes to the harvest, and all those tasks that follow, which all have priority. When it comes to the primary issuing of currency, which I can freely call a dangerous medicine for a dangerous disease—if there is an overdose where there should not be, then you know what becomes of the patient. So the primary currency issue must be used for the stimulation of those branches of the economy and fields in this region that can produce. We should most certainly not use it for speculation, for the foreign currency black market, which unfortunately exists in the country, for private income, which also exists. And the most important thing is that the sanctions are horrible, and the embargo is horrible, but it cannot serve as a justification to the government, to bad managers—I am using a more straightforward word, and maybe some will not like it, but there it is—to hide behind the embargo and the sanctions. It is impossible to say that all the problems have resulted from the sanctions and the embargo. [Ostojic-Pusara] It is now evident that they did not result from the sanctions. The sanctions only helped. [Lilic] I am convinced that, in a better organization with much more work and effort, we could probably increase our production by some 20 to 30 percent, as is shown by some of our calculations. I think that this could be done, but that the move by the three governments is missing, the move that has been indicated in a way by the addresses made by our prime ministers. [Ostojic-Pusara] When you mention [Lilic interrupts] [Lilic] Remind me of that when we start talking about [Ostojic-Pusara interrupts] [Ostojic-Pusara] You mention three governments and the minimum level of necessary accord. You do not belong to that rank of politicians, and you are not a politician who attended a political school of the kind we had in the days of [Josip] Broz [Tito], which were strictly directed in a certain direction. You belong to the kind of people who learned about politics through the production process or in the everyday political processes. When you mention the minimum of accord, there is a theory, you know, on the relation between Serbia, Montenegro, the FRY; I think that the centuries-old accord that exists between the people of Serbia and Montenegro could never be affected by politicians. This accord exists now not because of the politicians but because of the people. I would simply like you to say a few words about this integration of necessary wisdom, your wisdom—as you are the first man of the country—to ensure that the Serbs and Montenegrins—that is,

Serbia and Montenegro—remain in accord. [Lilic] Perhaps I can comment on what you have just said concerning my status in the Socialist Party of Serbia [SPS], so... [Ostojic-Pusara, interrupting] Of course, by all means, do. [Lilic] ...that we can go back to the question—that is, two questions in one... [Ostojic-Pusara, interrupting] If I can say another thing, you are considered a man who belongs to a more liberal so-called wing of the SPS. What does that mean? Is that true? [Lilic] As the president of Yugoslavia, I would not like to comment particularly on the situation and events in the party that I belong to. The mere fact that at the time I committed myself to the party to which I still belong, the SPS, speaks for itself, and that I chose democratic socialism for my basic political commitment, and that I thus share the political views of a large number of people in our country, regardless of whether somebody agrees with me or not, I am convinced that this is so both in our country and in the world, where parties of a similar orientation are in power. [sentence as heard] I think this speaks for itself. What I would like to say is that, as I have always stressed, I am not inclined and I have never—at least that is my opinion, whether I am right or not, time will show—dealt with the theory, [word indistinct] reduced it to, until being appointed Assembly chairman in (?Pavlica). I really believe that this is my main advantage, which is what we have already spoken about. I would like to draw a parallel between a factory and a state. We started a minute ago but we then stopped. One really well-known—one of the best-known—experts when it comes to international marketing, (?Teodor Levit) once said something like this—I think that it will provide the answer to the question you asked, which is really complex when it comes to the internal relations... [Ostojic-Pusara, interrupting] Interests that dictate the accord, yes. [Lilic] ...on our internal political scene that is dictated by various policies and parties... [Ostojic-Pusara, interrupting] or a variety [laughs] [Lilic] ...or a variety, yes, we can use any expression you like. So (?Teodor Levit) said, and I will use one of the [word indistinct] as the synonym for something that we will explain later, he wrote the following in a study about a general manager: He says something like, the general manager must know exactly what he should achieve, but the organization he heads must also view this aim with enthusiasm. This is the first precondition of managing, since if he does not know what he wants to achieve, he can choose any odd way but if his roads are all equally adequate, in that case the general manager can simply pack his bags and, as I like to say, go fishing, or if he knows which way while his associates do not want to follow that road or do not believe the common aim, an aim that should be common, then there probably will be no result again. I think that this is a great truth, at least I have been convinced it is over all these years, and it cannot count for companies alone. I think it can apply to the state as well, and by using my experience, I said in my speech in the Federal Assembly that it was important that we know what we want, that we know how to get it, and that we have the potential for that, and that this is the essence that will enable us to be optimistic about the

future, with one really necessary minimum of political consensus, at least when it comes to the four key aims I have just spoken about. [sentence as heard] Therefore, if there is no accord between all the competent political parties in this region of ours—we know there are very many of them but not so many parliamentary parties—and I think that this minimum of accord is absolutely necessary, both among the parties in the Republic of Montenegro and the Republic of Serbia and, if you wish, outside our borders, which can influence the events in our region, then it will be very hard to achieve the aims we have spoken about. I am convinced, and you have also expressed it very well, that the leaderships of our two republics—and if you like, the leaderships at the level of the federal state as well, were not the strongest or most important, or the sole factor of cohesion. They could improve the relations between our peoples, between our citizens, but what is most important, as you said yourself, is that there is a joint consciousness, that there are joint interests, and that too many things have been connecting us throughout our history and tradition of many years for the leaderships to manage—whatever aims some politicians may have—to split our two peoples and create such an atmosphere that could eventually lead to something that I really think cannot happen. I think that this Yugoslavia has a future. The 1992 Constitution gave it room, but it did not create a new state. We have not created a new state but merely reorganized the existing state the way the nations and the citizens of the Republic of Serbia and the Republic of Montenegro have wished, currently wish, and will continue to wish, I hope. What is most important and should be emphasized here, and why not, is that a place has been left for all those who want to live in our common state, for those who wish it well and who through their work want to contribute toward its better and faster prosperity and development and who wish to... [pauses] The generations that are coming—I believe that this is one of our major obligations regardless of the fact that sometimes we cannot or will not acknowledge it—should and must live similarly to their peers in some other countries. This is a holy goal that we must realize. [Ostojic-Pusara] You are, naturally, referring to the people who with their wisdom demonstrate that they do not have a surrogate motherland. You will also need a lot of wisdom to reconcile various interests of individual parties that you have mentioned. It appears that there are different interests, naturally, as a result of different goals? [Lilic] I believe that you will agree with me that as regards peace, there are no differing interests. Regarding economic revival; well, not exactly revival but a shift, a step forward in our economy from where it is at the moment, all raw and worthless. I also believe that there should not be any differing interests. Regarding the sovereignty and integrity of our entire territory and the FRY in general, I really would not like to believe that different interests exist. Therefore, I think that we must agree on this. Also regarding what I have said I consider the national interest—namely, the creation of a law-governed state—there should not be different interests either. If we embrace this as the minimum on which we must agree

then all other political discrepancies and differences can be resolved through parliamentary struggle, in the assembly where all these parties are represented. I, therefore, believe that regardless of my age and possible problems, with a truly good cooperation with the presidents of both republics, the prime ministers of the governments, the parliaments of the Republic of Montenegro and the Republic of Serbia, with the Federal Parliament, not only that we can, but we must and it is our obligation to accomplish the four goals that I have spoken of. Everything else should be a matter of the struggle of arguments and various political opinions, and why not. Everybody has the right to different opinions and to say what he thinks. Here, I would like to add what I often said in the assembly, that everybody also has the obligation to think of what he is saying and doing. [Ostojic-Pusara] Let us digress to the international sphere. You have already mentioned sanctions. However, the fact is that this collapse of the economy did not take place with the arrival of the embargo, that is, the sanctions. Unfortunately, certain disturbances took place much earlier and the sanctions merely contributed toward the state in which we are now. The experiences of other countries suggest that sanctions might not be lifted for many years to come. However, some initiatives from our side might perhaps bear fruit. One of them, for example, is the visit of our foreign minister Mr. Jovanovic to Moscow, where he proposed a moratorium on sanctions for the duration of the negotiations on the resolution of the conflict on the territory of former Bosnia-Herzegovina. Let us also talk a little about the activities of you, as the first man in the FRY, in the international sphere and further role of Yugoslavia in the talks? [Lilic] I have already said earlier when we discussed the possible tasks and moves of the FRY president... [Ostojic-Pusara, interrupting] Within the limits of his authority? [Lilic] Yes, that is so, that he cannot and does not have the right to pursue a policy of his own. However, it is definite that he should and must contribute significantly, inasmuch as his objective capacities and possibilities stretch, that the presently agreed joint policy which is the only reasonable one at this moment—that is, the policy of peace and further negotiations—be realized. I believe that what Mr. Jovanovic, minister and vice premier in the Federal Government, is doing in Russia currently—what we have received as a sort of guarantee from Russia—represents a truly important step in the change of opinions. I believe that Mr. Kozyrev has clearly stated this, too, and I sincerely hope that we are striding with large steps toward the resolution of our problems. [Ostojic-Pusara] The fact is that there are some initiatives by our neighbors, for example... [pauses] I mean, there are initiatives, but are they bearing any fruit? For example, Greece. We read in the papers that Bulgaria insists on being granted transit permission through Serbia. It is us who are under blockade but some of our neighbors are experiencing considerably and drastically this blockade of ours. The sanctions are hampering the functioning of the peaceful countries. I am, primarily, referring to the economic life. [Lilic] I think that there is nothing illogical in your

question and that we may even consider it to be an assertion: Inasmuch as damage has been done to the Republic of Serbia and the Republic of Montenegro, as well as the Federal Republic of Yugoslavia as a whole, I think that no less damage has been done to our neighbors who have to suffer the consequences of the fact that we are subjected to sanctions and such a harsh embargo. We have not taken any reciprocal measures, and we have not prevented nor hampered everything that we might have. I think this is really good. We tried above all to use the truth as much as possible to prove to the world that we have been carrying out a really correct policy. It is very gratifying—despite consequences we will surely feel for many years to come, as you said—that there is a change of stance in international public opinion that a civil war is nevertheless involved, a war imposed from a different side and in which we have not been participating actively. Just the same, it is very gratifying to see that Greece, Bulgaria, and other neighboring countries are making efforts because I think they now have to think about their economy and their citizens, and I believe this is another road leading to the same aim—solving this complicated Balkan crisis. I have said in the past and I think I can repeat it now, that as much as we are going to be damaged here, they are going to have even greater damage. It should by no means be, and must not be Europe's goal to have in the heart of Europe a country that is going to be behind economically and in other senses, for several years. I think that this should not be somebody's aim in a civilized world and that everybody, together with us, will have to make an effort with a view to preventing that syndrome from spreading over onto their territory. And they are very close. [Ostojic-Pusara] This conflict in the Balkans and the destabilization of the Balkans is not based on political conflicts alone, but [Lilic interrupts] [Lilic] Absolutely. Absolutely. After all, I think that everything did begin—this is my opinion, of course—due to economic reasons and had an economic background with a view to achieving political goals. You see, it is obvious that these measures affected our citizens very seriously, but it is also obvious that our neighbors insist on using both our roads and our airspace and everything else that makes it possible for them to work more economically, and perhaps turned a better profit where their interests are concerned. Since an interest can never be one-sided—I think that one should seek additional solutions in that regard—I also believe that here we are not far from some significant progress and that we will very soon find ourselves in a situation where we will be, if not without sanctions, then with sanctions in a considerably milder form, and therefore make this necessary step. I think we really need only one step to realize that everything derives from work and knowledge, along with really sound bilateral cooperation and any other kind of cooperation with our neighbors. Our neighbors must realize that as well. [Ostojic-Pusara] A group of foreign journalists completed their visit to our country yesterday. If you have been following reports on this visit, you know that there have been statements to the effect that we have perhaps failed in the sphere of information and that they have come in order to serve as

missionaries of the truth about what is happening in the territory of the former Yugoslavia. Therefore, our initiative is still really very necessary in this sphere. [Lilic] Well, I do not know—you certainly know that better than I do—I do not know whether it was we who failed in the sphere of information or it was some better information media, above all the world media and even some of our media, who carried information in the way they wanted to, even misinformation. Some situations that were completely clear and unambiguous showed what happened in Sarajevo and other regions. The situations were simply distorted and presented as a consequence of the behavior of Serbian and Montenegrin officials, and such like. I think that activity in the information sphere is as important as any other political activity, if not even more important, and that we must do much more in that sphere, above all in our approach to the events, to informing the world and the international public, and in persistently proving to them that we are right. Because it is impossible for Europe to be able to welcome and accept the secessionist behavior of four of our former republics and at the same time withdraw the right, the legitimate right of a people to self-determination which has been guaranteed to it by the UN Charter and all positive international acts and the Hague Document, and the Paris Charter, not to mention all of them. I think that Europe has then become frightened of the possible secessionism on its own territories and that the key mistake was made then in using the media above all. [Ostojic-Pusara] That is so. [Lilic] You know that a lie repeated a thousand times becomes the truth and now we are going to have a lot of problems trying to prove that the Serbian people have never been genocidal, that they have never had any expansionist pretensions, that they are certainly not an aggressor, that they are simply defending their rights, and we have had to support and justify that struggle, that struggle for survival, the right to what belongs to us. I think we have had no choice but to take the path we have taken. It is impossible to leave members of one's own nation in the lurch. I do not think that a single FRY citizen, who—I like to use this expression—has it in his heart, would have forgiven the official policy. [Ostojic-Pusara] The mechanism of the powers, the system of trial and error... [pauses] We have heard these days some pleasant sounds coming from those very same representatives of the Twelve who were in such a hurry to recognize the Slovene, Croatian, and Bosnian secessions. Now they say that this contributed to the civil war in Bosnia-Herzegovina. [Lilic] Unfortunately, they have confirmed much, much later what we have been saying all along, after many victims, after much destruction. It will be good if they try to correct their mistakes in the coming negotiations. We will see. [Ostojic-Pusara] Mr. President, even though you have been president for only two days, let us say at the end of this conversation... [pauses] that is, let us tell our viewers about the priority tasks you are going to deal with. What is expected of you now, when are we going to experience some progress? We will probably live better, we expect the sanctions to be lifted, at least from the things that endanger our physical

survival. [Lilic] When I spoke about the four key national questions at the moment, that is for me the national interest even though I spoke of peace and economy, and the (?identity) of the country, the rule of law, all that, I would add another very important task, even though I think this one will be the easiest—it is the unity in the FRY. There are those who find our community an obstruction, but I think that we all have to fight them together, defeat them. What must be stressed—and you have said yourself that the Serbian and Montenegrin people have not been connected throughout history by the leaderships, and you have put it very nicely and correctly—is that there is a spiritual closeness, a common fate and ties. When things are put that way, then I am convinced that there should be no fear for the future of this community, with the solution to those four key questions that I have mentioned. Peace and the lifting of the sanctions are the most important ones, of course. I will personally always take into account that the FRY was created out of a joint interest and need of our peoples and the citizens of Montenegro and Serbia, and that it is open to all those who want to live in it, so you can see that this is one of the tasks facing the present and, I hope, future presidents of the FRY. I think that Montenegro and Serbia as state-members of the FRY—I think that is the answer to your question—and the political forces within them that gained the people's confidence in the elections, really have a lot of responsibility, and I am convinced that they will have the capability, readiness, and tolerance—including me, of course, who has been entrusted to lead the federal state—to build this federal state on the principles of mutual respect and tolerance. I think that all the suspicions expressed about it being a (?party) state are really misplaced. The future will be the only true indicator of our work, and probably the correct judge, but it is also the duty of all those harboring such doubts to do their share with accountability—and probably gathered around those goals I have spoken about, with as much criticism as is permitted and can only be useful to myself and others in public functions—I think that in such an atmosphere of joint labor, tolerance, and understanding, and with a common aim, we have nothing to fear, regardless of all the present difficulties. I would like to stress in the end that unless we understand that only work, hard work, really hard work, and knowledge—which we do have, if I can use the word, maybe it is not the most adequate one, but which we do have in large quantities—maybe it is not distributed well, maybe in a way everyone is still arguing about things we should not argue about. If we manage to unite that into one [word indistinct] that would lead toward the same goal, I think that, regardless of the political commitment, regardless of party membership, if our aim is improvement for our citizens and our republic, I believe that we will reach this aim, and I believe it is really not that far, just as I believe that we are on the verge of achieving peace. I do not believe that there is anything or anyone to keep us from that. What I would really like to stress, and I have already said it in my address to the Federal Assembly, is that there simply must be a legal state in this region of

ours, in order for us to achieve all those things we have spoken about, and that no one should be exempt from it. Everyone who has broken the law has to answer for it in front of these citizens, our citizens, and has to respect the will of the majority that as presented and respected in all the democratic countries in the world. If our mouths are really so full of the word: Democracy—and I do not think that someone is a democrat by birth, or that someone is a democrat just because he belongs to a party carrying such a prefix, a democrat is someone who, regardless of his commitment, can and has to respect the will of the majority that has the right in these hard times, of course including the respect for the minority, to reach some common aim, some common step. This step should make the coming time easier for our citizens. I keep telling our citizens to establish the conditions for the time that is coming, not because we want to escape the lion I mentioned, but to be quicker in the world market. I think that no one has the right to take our rights away in all those institutions of which we have been a part. The international community will finally have to accept and recognize that. [Ostojic-Pusara] Thank you very much for being tonight in the homes of the citizens throughout Yugoslavia, and not only Yugoslavia, but also citizens throughout the world. I am sure they would love to hear and see you again in a few months time, as we would here in television. [Lilic] Thank you. I can promise you that. If I am in a position to be your guest again in a few months, I will do that with pleasure. I think that this should be common practice, that we are always assessing our past actions. It is not a bad thing if someone has a better idea, better proposals, if there are better people to leave things we cannot do to those who can do it better, keeping in mind that the only interest that cannot be sacrificed is the interest of the people. [Ostojic-Pusara] Thank you. [Lilic] Thank you.

### Macedonia

#### \* Political Parties on Possible Membership in NATO

##### \* Emerging Consensus

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Macedonian 27 May 93 p 4

[Unattributed article: "Foreign Military Presence—Regional Stability"]

[Text] In their statements on the possibility of the Republic's asking for membership in NATO, the political parties expressed their unanimous support.

The peace plan of the United States, Great Britain, France, Spain, and Russia, officially announced following the ministerial minisummit, held last weekend in Washington, confirmed the news that Macedonia is also considered part of the "U.S. scheme" and that the influence of that great power will greatly increase in the area. With the war in its neighborhood, and the not very friendly surroundings, and numerous blockades and

embargoes, like it or not, our state has found itself involved in an issue the resolution of which will largely determine the further development of the situation in the Balkans and the preservation of peace and stability the world over.

Whether Macedonia should become part of the collective security system by becoming a member of NATO, and whether it will continue to rely on UNPROFOR [UN Protection Force], or else form an alliance with third countries for the sake of exercising its right to defend itself, are only some of the issues that recently were in the center of attention. In a number of aspects the situation was clarified by yesterday's statement by Vlado Popovski, the Macedonian defense minister, to the effect that an official request for membership in NATO was expected to be officially filed soon. As to the other aspects of the initiative of Macedonia becoming a member of NATO, following are the thoughts and statements of experts in that area, as well as the views of most political parties.

The Democratic Party of Turks accepts anything that would improve the situation of the Republic of Macedonia. In that sense it welcomes the initiative of Vlado Popovski, the minister of defense, of requesting membership in NATO. In its view, this is in the interest of preserving the peace not only in our country. This would influence the stability of the Balkans and, hence, of Europe as a whole. History has proved, the DPT [Democratic Party of Turks] believes, this to be an accurate statement, for this area has always been a hotbed of wars and disturbances, and NATO membership would mean their timely elimination.

Macedonia must become part of the collective international security and defense system and request NATO membership, the Workers Party believes. NATO, as a military and political alliance, following the collapse of the opposite blocs, stands a good chance of becoming a global defense system. Such a NATO, as a variety of a "second United Nations," using the specific means at its disposal, should, according to the Workers Party, make any military and political polarizations on the local, regional, and global level impossible. To Macedonia, located in the neuralgic and military Balkans, this is of particular significance. When the most powerful countries and armed forces become part of this system, as a small country with a symbolic army, NATO membership would mean for Macedonia avoiding an exhaustive militarization that would become necessary should the country favor a "pure" individual defense with its own forces. The Workers Party believes that Macedonia would gain a dignified status as a member of this alliance and would never allow itself to become a military site for the use of forces against third countries and for objectives other than the universal principles and interests of peace.

In connection with the statement by Defense Minister Vlado Popovski and the possible membership of Macedonia in NATO and the presence of U.S. troops, the PCERM [Party for the Full Emancipation of Romanies of Macedonia] believes that the overall present security

situation of the Republic of Macedonia requires the presence of forces of the United Nations-UNPROFOR and of U.S. forces. However, Macedonia should not become part of any given bloc. Its place is within the unaligned countries of the world, according to Faik Abdi, the PCERM chairman. That party believes that a broad party consensus reached by all parties is necessary, regardless of whether they are represented in parliament or not, on the issue of any eventual NATO membership, naturally to the extent to which it is believed that a serious threat from the outside exists.

During yesterday, the Social Democratic Party and the Ilinden-Free Democrats Parties did not issue their official party view on this issue.

The VMRO [Internal Macedonian Revolutionary Organization-Liberal Party] believes that the request for possible NATO membership for the Republic of Macedonia naturally stems from the objective situation in the area, the fact that Macedonia is surrounded, and that NATO is the only representative of the collective security system. "Programmatically supporting a Western-type political and economic system, the VMRO-DP," its chairman Vladimir Golubovski believes, "in principle finds no reason to oppose such a concept." However, the party wishes to point out a certain reservation due to the preparedness of the Republic of Macedonia or, more accurately, the level reached of political maturity and the objective autonomy of Macedonia's international position, in order to block processes of linking parts of Macedonia's policy, whether on the part of the ruling parties or the opposition, to the "generals," as a symbol of the foreign presence, for this would turn Macedonia into a South American-type little country. The present state leadership must convince all political entities and the public at large, since Macedonia had already lost the opportunity for ensuring a political and national consensus on this matter, that by joining NATO Macedonia would be taking a political step of historical significance, consistent with the future of the Macedonian state.

The VMRO-DP believes that, despite some questions, the United States is a sincere Macedonian ally, for which reason the views of the party at no time have displayed an anti-U.S. attitude. They have reflected the need for a concept of Macedonia in the eyes of its present and future friends that, whatever the case, should be one of respect.

#### \* Opposition From MAAK

93BA1086B Skopje NOVA MAKEDONIJA in  
Macedonian 27 May 93 p 4

[Statement by Branko Josifovski, member of the Movement for All-Macedonian Action (MAAK) National Committee and Secretariat: "Foreign Troops Mean Abandoning Autonomy"]

[Text] "In its political platform, included in the 29 December 1991 Manifesto on the Demilitarization of the Republic of Macedonia, the Movement for All-Macedonian Action [MAAK] clearly let it be known already at that time that it opposes any kind of militarization of Macedonia and is

*against the stationing of foreign troops in our country, unless steps are taken to make this a state policy of peace and unless we sign international agreements with our neighbors, the United Nations, and the CSCE as a guarantee of the security of the Republic of Macedonia," said Branko Josifovski, member of the MAAK National Committee and Secretariat.*

Undeniably, Macedonia faces the specific danger of being militarily threatened by neighboring countries that have territorial claims against us. Everyone knows this. However, the question is whether by rearming, joining NATO, or any other military system, and stationing foreign military forces and equipment would eliminate the immediate threat or could such a threat be removed by nonmilitary means and policies, through nonmilitarization and waging an active struggle for peace in the Balkans and beyond it? This is a question that faces us and everyone should give it some thought. MAAK believes that if Macedonia does not provide a specific pretext for war it would have the right to ask the international community for protection. There is the greater danger for the Republic of Macedonia, despite its will, to become involved in a war should it allow the presence of foreign forces, and should such forces decide to intervene against anyone in the Balkans. What if this were to happen? Would our country truly become the reason for a Balkan tragedy and the Macedonian people the greatest victim in it, Josifovski asks himself.

MAAK also questions some of the actual steps taken by the United States toward the Republic of Macedonia, in the sense of its military involvement in our state, the more so since Macedonia has not been officially recognized by the United States. According to this party, stationing foreign military troops in Macedonia means that we are abandoning the constitutional definition of our autonomy and independence. Such a policy may turn us into a "protectorate," as has been mentioned, which means a semisovereign state. As to intergovernmental accords, they must be specifically ratified by the parliament. In all cases, the parliament must act as a shield against some improvisations of the present executive authorities. For all such reasons, MAAK calls upon the Macedonian people to oppose any threat stemming from such arrangements.

#### \* Conflicting Views

93BA1086C Skopje NOVA MAKEDONIJA in  
Macedonian 28 May 93 p 4

[Article by Z. Petrov, S. Jovanovska, Z. Skerlev, and E. Sterjevski: "To Some It Means Safety and to Others Treason"]

[Text] *The Association of Serbs and Montenegrins in Macedonia, as well as the New Communist Movement of Macedonia, categorically oppose the presence of U.S. forces in Macedonia and membership in NATO. Other views are expressed by the Republican Party of Macedonia, the Party of United Macedonians, and the Association of United Macedonians for Europe.*

"We categorically oppose Macedonia's membership in NATO, as well as the presence of U.S. forces in this area," stated Rade Novakovitj, Spiro Sekulovitj, and Milan Nikitj, from the Association of Serbs and Montenegrins in Macedonia. "We believe that NATO is an aggressive military formation that, as we can see, is imposing its views by force not only in this area but throughout the world. Why else would NATO increase its aggressiveness, so that it could be present in the Balkans, after the Warsaw Pact has collapsed and there is no Soviet Union? If Macedonia were to become a member of NATO, it would be logical to conclude that it would become a semicolonial country and would lose its sovereignty. Our question is, who would benefit from such an event and whether, in general, the entire Macedonian people would accept such a thing? In any case, in our view, Macedonia is not threatened in the least by Bulgaria, Greece and, least of all, by Serbia."

According to the Republican Party of Macedonia, "The presence of NATO forces in Macedonia is inevitable, considering the present overall political and security situation. Whether this would be U.S. forces or the forces of England, Germany, or France, or any other allied country, makes no difference. As it is, Macedonia was impoverished and plundered by the JNA [Army of Yugoslavia] and Milosevic's Federal Republic of Yugoslavia, and lost virtually its entire technical and military arsenal. Presently we are in fact creating a new Macedonian army, as an extension of the army of 1941. Actually, the first chairman of the Presidium of ASNOM [Anti-Fascist Assembly of the People's Liberation of Macedonia], Cento, was in favor of such an idea," according to Ilija Petreski-Dzo. At the present time, according to the Republican Party, we need economic as well as military aid from the developed countries in the world. A typical example in this case is that of North Korea. "We wish to God for Macedonia to become the 53rd state of the United States. The reason is that some parties and their leaders are asking for financial aid and for a more comfortable life as a specific type of dictatorship that would enable them to remain in power."

The Secretariat of the New Communist Movement of Macedonia, headquartered in Gostivar, believes that because of the current UNPROFOR contingent, any other entry of foreign military forces would mean the occupation of our state and loss of sovereignty. It is especially opposed to U.S. forces, regardless of whether they are camouflaged as forces of the UN. "Everyone knows," the New Communist Movement of Macedonia believes, "that nowhere in the world have Yankees brought freedom or democracy to the peoples. Instead, they have sown devastation, wars, and killings. The NATO is a branch of the U.S. forces in Europe and its purpose is to serve U.S. policy. Our eventual membership in such a military pact would mean that Macedonia as well would become one of those countries that, by the force of arms, would be suppressing the liberation struggles waged by the peoples and all of this for someone else's benefit."

The Party of United Macedonians supports NATO membership for the Republic of Macedonia and believes that "the Krivolak military base must be offered to the NATO military alliance within the shortest possible time, this being the only way to stop the quarrel between Albanian Islamic fundamentalism and Serbian radicalism from penetrating into the Republic of Macedonia from Kosovo." The Party of United Macedonians considers that NATO military bases will provide the best guarantee for the independence of the Republic of Macedonia and, especially, a guarantee for the investment of foreign capital in the Republic. It points out that this step is in the interest of all citizens, especially in terms of protection from a Serbian aggression against the Republic of Macedonia.

The initiative of U.S. President Clinton and Secretary of State Christopher of sending U.S. forces to Macedonia is fully supported by the Association of United Macedonians for Europe, which believes that this mission is one of good intentions and beneficial to the overall security of the Republic and Balkan stability, for it would prevent any eventual spreading of the war from some areas of former Yugoslavia to Macedonia. "It is expected that the presence of U.S. military forces in Macedonia would lead to positive changes in all areas of activities, lifting the blockade, and initiating the process of improving the situation of the Macedonian economy which is currently difficult," reads the communique of the Association of United Macedonians for Europe, issued in Heidelberg.

So far the RS-Liberal Party [Reformist Forces-Liberal Party], the PDP [Party for Democratic Prosperity], and the SDSM [Social Democratic Alliance of Macedonia], represented in parliament, still have not expressed their views on this issue.

#### \* Ethnic, Political Tension in Gostivar

93BA1076A Skopje NOVA MAKEDONIJA in  
Macedonian 19, 20, 21 May 93

[Article in three installments by Emil Sterjevski and Kiro Kiprovski: "We Do Not Know What To Do and What Not To Do"]

[19 May p 4]

[Text] *The Gostivar economy has probably never been so low. The assembly functions only with members of the PDP [Party for Democratic Prosperity] and the NDP [National Democratic Party]. There still is no executive committee.*

It is being said that Gostivar was previously known as the Velika Village. Some link its name to the Vardar River that springs from Vrutok. Others refer to the hospitality that this previously important transportation crossroads acquired through the centuries, as the center of the Gorni Polog area. Today, when the etymological

significance of the name is of no importance, something remains from these two assumptions. However, very little remains of what, according to the writings of old travel writers, was a very familiar feature of the Gostivar area. If we can believe them, after the urban settlement appeared, Slovenes were the largest ethnic group here. Sometime around the middle of the 15th Century the population was quite homogeneous, with an insignificant sprinkling of Albanians and Turks. Since then, and to this day, the process of change of the ethnic structure of the population has been developing.

#### On a Low Level

Gostivar was one of the few towns in Macedonia in which virtually all the crafts were practiced. Very little remains of this tradition. Today, Gostivar is the city of Mercedes, BMW, Opel, and other car models. It is a city of unregulated construction and totally senseless urbanistic solutions. It is being said that with enough marks you could build your own house in the middle of the main square. Today no one knows the size of the population of Gostivar and its surroundings. Not even the latest census could be used as a yardstick, for it was precisely then that some people refrained from registering. In the various villages around Gostivar, this is the virtual duplication of what happened several years ago, when high walls were built around the houses. All the bricks were properly laid, and now new bricks have been added.

The Gostivar economy has greatly declined. This is not to say in the least that it could not become even worse. The scheme is familiar. Shrunk markets and possibilities of marketing the goods, especially when we know that the overwhelming percentage of goods for export went to the markets of former Yugoslavia. The Gostivar enterprises are suffering huge losses from the blockade of the Federal Republic of Yugoslavia as well. Silika, which employs about 1,400 workers, works at a drastically reduced capacity. People spend more time in mandatory leave than at work. Furthermore, there is internal agitation. The Gorni Polog IK [Industrial Combine] appears to be virtually shut down. Yet, it seems only yesterday that lamb from Sar was being shipped to Italy, Greece, Croatia, Serbia, Slovenia, etc. Those responsible at Gorni Polog blame the Ministry of Agriculture for its delayed response to the question of the EEC concerning the new conditions for meat marketing. Meanwhile, Macedonia cannot consume such a volume of lamb, despite the low prices. Production at Goteks and the factory for alkaline-free fiberglass continues at lower capacity. For quite some time, the personnel of Gostivarska Trgovija has been on strike and there is even hunger although, remembering the wages paid, it took them some time to decide whether to strike. For the past five months the Komunalec JP [Public Enterprise] has been working with a frozen payments account. Nonetheless, there is a certain amount of optimism, albeit small, among the workers, who hope that better days lie ahead.

### Interethnic Relations Are Good

Better days are probably expected also by the Gostivar Township Assembly. From its beginning to the end of June of last year, and even to this day, it has been functioning only with the members of the PDP and NDP, which has many more representatives. Representatives of other political parties supported by the Macedonians do not participate in the work of the assembly. An executive committee has still not been set up. "The assembly members feel that all 50 representatives should be present at sessions and not only 40 as has been the case so far, for there are many problems that affect everyone and deserve joint consideration in order to be resolved even better," said Enver Zenku, chairman of the Gostivar Township Assembly. "Over the past 10 months or so, on four different occasions we invited in writing the political parties of the Macedonians to participate in the sessions of the assembly, to nominate their candidate for deputy chairman, and to set up the executive committee. To this day, however, we have been unable to find a common language."

According to Zenku, the tension which was present during the preelectoral, electoral, and postelectoral period, has abated of late and the situation is becoming normalized. He believes that if the Macedonian representatives participate in the work of the assembly the success would be even greater and shared by all. Nonetheless, despite the optimism, which is never to be underestimated, a number of matters at the Gostivar Township indicate that there are problems, and that they are numerous. For example, more than 100 temporary buildings have been built in empty lots without permits. In the surrounding villages, the shingles on most of the newly opened private companies are inscribed in Albanian only.

"A major hindrance in our work is the fact that the position of the township has not been regulated by law", according to the assembly chairman. "We do not know what we should be doing and what we should not be doing. The law on local self-government must be passed. For the past several months, by decision of the government of the Republic of Macedonia, we meet once weekly with the heads of the sectorial ministries. This is a good practice. Last week, a member of MAAK [All Macedonian Movement] came to my office to tell me that the Macedonian parties had agreed to the organization of an executive committee with the participation of their candidates and to attend the assembly sessions."

As to interethnic relations, one of the main factors of the Gostivar Township, according to Zenku, is that they are good. There are no incidents and efforts are being made to improve the coexistence among Macedonians, Albanians, Turks, and all others township residents.

The situation is very good, we were told by a young Gostivar resident. There are no incidents or things like that! People do not bother each other. People have their own coffee shops, parties, and options. To each his own.

"Speaking of parties, if anything in Gostivar is truly abundant, it is the party line in what is, according to its size, one of the largest townships in Macedonia." As our interlocutor would say, there is something for everyone. "There are more parties than people." (?)

[20 May p 4]

[Text]

### 'Many Centers, Various Options'

*Gostivar is the center of several political parties. However, there also are branches with interesting programmatic orientations. Conventionally speaking, the political situation is affected by the weaker or stronger winds blowing from the past.*

It would be no exaggeration to say that Gostivar is a distinctive center of party organization and action. It is precisely here that many parties, with their specific programmatic orientations, are centered. The citizens of Gostivar themselves are unfamiliar with most of them. Even more unfamiliar are the people of the villages, of the fertile Poloska Kotlina, or the people of the scattered foothill-mountain villages. Nonetheless, the parties or, to be more precise, their leaders, are proud of the number of their members. It is said jokingly in Gostivar that if one were to add the number of members claimed by each party (based on its own estimates) there probably would turn out to be more people than are currently living within the area of the Gostivar Township.

According to official data of the Gostivar Township Internal Affairs, a large number of parties and associations have originated here and found a rich soil. This applies, for instance, to the Djoven Party of Turks in Macedonia, or the Democratic Party of Yugoslavs in Macedonia. Also located here are the headquarters of the New Communist Movement of Macedonia, the Association of Macedonian-Serb-Montenegrin Friendship, the Macedonian National Movement, and the Democratic Forum for the Defense of the Rights and Freedoms of Man in Macedonia. The Internal Affairs Department has also registered the voluntary Diele and Naser Veliu Humanitarian Societies.

### A Wealth of Parties

The fact that there are many parties centered in Gostivar does not mean that there are no numerous branches of political parties as well in that area. Naturally, this applies to the PDP, NDP, VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], VMRO-DP [Internal Macedonian Revolutionary Organization-Democratic Party], MAAK, SDSM [Social Democratic Alliance of Macedonia], Reformist Forces-Liberal Party, Socialist Party, Youth Union, Turkish Democratic

Party, and the BCER [Party for the Full Emancipation of Romanies]. Even the SDA (Party for Democratic Action) has a branch in Rostuse, a Gostivar-area village, the dilapidated premises of which were once a children's camp and are now a shelter for refugees from Bosnia and Herzegovina, in Bune. Recently, the Way of Islam has become politically active in Gostivar.

If spiritual and material wealth has anything to do with the number of parties, the people of Gostivar would be truly well off. However, the number *per se* is not all that interesting. Much more interesting are the political orientations and programmatic stipulations and aims of some of the parties that run along different tracks. Probably the people of Gostivar themselves would know best the origins and reasons driving individual parties. However, in addition to the current political times, there must be something based on the historical Gostivar crossroads.

This area and especially the villages have long been important to those wishing to earn more. Gostivar people, in their search for a better life, crisscrossed Yugoslavia and frequently went far beyond it. To this day work abroad has left its traces in the way of life of the people in the area. Between the wars, this area was extremely backward, especially in terms of culture and education, and because of a substantial degree of religious fanaticism. After World War I, following an administrative division within the then Vardar Banovina [administrative term used for Yugoslav Macedonia during the interwar period], Gostivar became a particularly important okolija [district] center. Until World War II, according to the books, schooling and education had the features of the political system of occupation of that time. For example, instruction in the schools was exclusively in the Serbian language, for all children, regardless of ethnic or linguistic differences. To this day, old headstones in the cemeteries may be found in which the family names of the dead end in "itj."

#### "Fresh" Democracy

Meanwhile, until the April occupation in 1941, something else happened as well. The Italian occupation forces, joined by Albanian reactionaries, undertook to organize the occupation system. It was at that point that a strong propaganda drive was launched for the creation of Greater Albania, aimed at the annexation of that area. At the same time, a strong movement for denationalization of the Macedonian population was started. It included, among others, banning the use of the native tongue, insisting on the Albanian language, changing family names, and so on....

Today the overall political situation in Gostivar may be considered as glimmering, according to the weaker or stronger winds blowing from the past. This is reflected in the activities of individual political parties although all of them essentially have adopted democracy as their fresh acquisition.

We had arranged a meeting with Trifun Andreeski in a Gostivar coffee shop. For those who do not know the name, he is the general secretary of the New Communist Movement of Macedonia. Actually, in Gostivar, politically committed people will be found most easily if one can guess which are their coffee or tea shops. The voice of the Radio Pristina announcer could be heard on the loudspeaker. The manager politely asked us whether it was bothering us.

"The New Communist Movement of Macedonia" was registered in Gostivar and has been active in Macedonia since the end of August 1990," its leader, Trifun Andreeski, said. "Before the new year we had some 3,000 members. Now we probably have more, for the number of our local councils has increased. Our option is a rapprochement, above all with the Yugoslav republics. This, however, requires an end of the war and a check on inflation. Second, we favor the second option included in the referendum. Actually," Andreeski said, "only providing that the Federal Republic of Yugoslavia would guarantee the name of Macedonia, and the sovereignty, integrity, and identity of the Republic as an equal, as well as a political system based on multiparty elections."

#### There Is No "Western Macedonia" Problem

According to Andreeski, the party includes members of different ethnic groups. "There are," he says, "even ethnic Albanian sympathizers who are helping us. However, they do not dare to declare their support openly." We have asked Kiro Gligorov, the Macedonian president, to explain his statement that in the Balkans there will be no peace until the Serbs have resolved the Kosovo issue. According to him, "Kosovo is a structural part of Serbia and of the Federal Republic of Yugoslavia, while the Albanians in Kosovo do not recognize the legitimacy of the Serbian state but want to have a republic. Here the Albanians want some kind of Illyrida. The purpose of all of this is to join Mother Albania. In my view, there is no Kosovo problem and, therefore, no problem of Western Macedonia."

The Democratic Party of Yugoslavs in Macedonia, also centered in Gostivar, is programmatically similar. As we found out, this was the Party of Yugoslavs that had recently renamed itself and was functioning as a new party. Unfortunately, we tried, unsuccessfully, to locate its chairman, Zivko Lekovski, for two days. We were told that Lekovski was the chairman of the organizational committee of citizens of Gostivar and its surroundings who, several months ago, had organized a voluntary blood donor action, as well as humanitarian aid in food and clothing for the victimized population (Serbian) in Bosnia-Herzegovina and in Croatia.

Also centered in Gostivar is the Society for Macedonian-Serbian-Montenegrin Friendship, whose chairman is Miso Popovitj. He is perhaps more familiar to the public from the events in the Kuceviste Village near Skopje, where he was the representative of the Serbs in Porece, something to which the people of Porece reacted sharply.

Otherwise, according to the Serbian press (television news) one of the leaders of the Cetnik Movement in Porece was the priest Teodosije Popovitj, Miso Popovitj's father. Internal Affairs has registered the Society for Macedonian-Serbian-Montenegrin Friendship, but according to some, it actually represents the Democratic Party of Serbs in Macedonia!

[21 May p 4]

[Text]

### Fear Protects the Vineyard Best!

*"We have always found ways to compromise and reach an understanding," said Enes Sagir, chairman of the Gostivar branch of the Democratic Party of Turks. A good believer is not the same as a fundamentalist. The state pays little attention to this area, according to Delco Ickov, township committee chairman.*

"If you want to find any one of the leaders of the Democratic Party of Turks, you should go to their club. It is on the second or the third small street to the right of the Vegetable Market. They have offices in the township center but at this time of day you will probably find no one there," we were instructed by a local resident. While we were waiting for the chairman of the Gostivar branch at the DPT [Democratic Party of Turks] Club, we were offered tea and coffee. Hanging on the walls were big portraits of Kemal Ataturk. On the left corner there was a television set. The program of the Turkish State Television was being telecast, bounced off a satellite. The people at the table opposite us toasted us with fruit juice....

Enes Sagir, the chairman of the Gostivar branch of the Democratic Party of Turks, arrived some 20 minutes after we had sent for him. He welcomed us and offered us both tea and coffee. "Last year, sometime in September, we changed our name from Turkish Democratic Union to the Democratic Party of Turks. Our Gostivar branch is, actually, the third township center in Macedonia, out of eight. It has about 4,500 members." Despite its relatively high number of members, the party does not have a single representative in the Gostivar Township Assembly. "Unlike the Albanians or the Macedonians, the Turks are scattered around the Gostivar area with no major concentration, for which reason in no single electoral district could our candidate garner the highest number of votes," Sagir said. "Nonetheless, I say that the Turkish people in the township have always been a factor of stability in interethnic relations. We have always found compromises and reached an understanding. There is only one problem. In the current situation, especially in terms of the Gostivar economy, those who benefit the most are the Macedonians and the Turks. Most of them live in the city and work for the big companies. Unlike them, Albanians are more tied to the land or go abroad. As to the political situation, it is what it is. It seems to me that the Democratic Party of Turks provides a kind of balance among the party forces in the

Gostivar area, although, to tell you the truth, there is virtually no cooperation with the other parties or with parties with a Muslim membership," we were told by Enes Sagir, chairman of the Gostivar branch of the Democratic Party of Turks.

### Coexistence

"Let me give you a definition," we were addressed by an elderly man wearing on his head a multicolored woven cap, a cigarette dangling from his lips. He introduced himself as Top Huseni. "All of us seem to be somehow misplaced. Regardless of whether we are speaking of Turks, Macedonians, Albanians, Gypsies, or anyone else. This is a long story but one thing is clear: We are fated to live together. That is why I say give to everyone as much bread as he needs and you will see that no one will be interested in politics. What the people want is a good life."

We found out that recently a new party had been established here, the name of which was indicative. To be more specific, it was a branch of the party centered in Tetovo, Way of Islam. Following a maze of narrow streets, our interlocutor took us to their meeting place. It was a building that was (and probably still is) a tea shop, on the ground floor of a house. It had shelves with religious publications. On the right side of the improvised counter stood two big tea pots. On the left wall were big posters with handwritten inscriptions in Albanian, Turkish, and Macedonian: "Hold on to the divine string and do not separate." We spoke with three members of this newly formed branch in Gostivar. They reminded us that they could say nothing officially, for their leaders were not present.

Still, they told us that the party had been registered some two months ago and is actually a branch of the PDA, the Party of Democratic Action—Way of Islam, with headquarters in Tetovo. "We have absolutely nothing in common with the SDA [Party for Democratic Action], that has a branch in Skopje. We are programmatically different from the PDP and the Democratic Party of Turks. This is not an ethnic party. Its objective is not the struggle for power. You will find no such things in our program."

"We do not emphasize ethnicity. Our members include Albanians, Turks, and Gypsies. Macedonians could be members as well. What is important is to be a good believer. However, to be a good believer does not mean to be a fundamentalist," we were told by one of them, in pure Macedonian language.

Some people wonder why there would be an SDA branch in Gostivar, for the party is headquartered in Rostuse. According to some, this is the result of the increased number of Muslim refugees from Bosnia-Herzegovina, who settled in Gostivar and in the neighboring villages. Their precise number cannot be established. Some come and go, while others remain. Nevertheless, it is believed

that about 3,000 refugees have passed through the private homes in the city and the villages, the mosques and in Bunec, the former camp for children....

#### Manipulated Citizens

The office of the VMRO-DPMNE in the municipal township building was closed. However, let us repeat that one must find the right coffee shop. It was in that coffee shop that we spoke with Delco Ickov, chairman of the VMRO-DPMNE Township Committee. "It is truly an interesting matter. In Gostivar there seems to be some kind of fear of the Albanians. To this day some people, believing or thinking that the problem of the Albanians has been allegedly solved in Kosovo, would like the same to happen here. Furthermore, we know that they would like the same solution to be applied here as well. They do not realize that they are thus actually being manipulated. What they would like is, allegedly, to defend orthodoxy here, and that perhaps one day the Albanians will throw us out of this area without opposition. Second, I believe that the state, the president, the National Assembly, and the government, have paid little attention to this area. I believe that all that the Macedonians living here want is respect for the law. Nothing else, and with equality for all," Delco Ickov said. "In Gostivar, if you bring today 100,000 marks, and if it is your whim to build a house in the town square, no one would oppose you. Considering that those people (the Albanians—editors) have money, unquestionably they have the opportunity to practice major manipulations, to break the law, and those who are supposed to uphold the law do absolutely nothing, for the simple reason that they are not protected from above. The chief of the communal sector was replaced because he removed huts built without a permit. In all likelihood there is some connection here, but every member of the executive and judicial authorities fears for his job."

According to Delco Ickov, the SDA is operating in this area quite actively up and down the river. This is precisely where Macedonians professing Islam are located. Once again he mentioned the state that has neglected such people for years on end, people who are ethnically ignored, and are now left under the prime influence of religion. "They are being given the disinformation that the state will try to convert them to Christianity, which is a pure lie. However, someone must tell them this."

It looks as though many things should be told to the people of Gostivar, for it is obvious that their thoughts are quite confused. Some parties act in the name of Orthodoxy and others of Islam. Others again are dominated by the Kosovo syndrome, or fear both. In this case as well propaganda is at work, for someone is supposed to "instruct" the population, which does not know what is what. The propaganda is noticeable. It is practiced almost daily and is in some cases more perfidious than in others.

Still, some people of Gostivar who know the situation are saying that unlike last year or perhaps even before

that, when the people were ruled by fear, uncertainty, and pessimism, something is developing within the people that makes them believe that the situation can only improve rather than worsen. If only the people in the coffee shops would start mixing, if only the executive committee would be set up, and if there would be bread for all....

#### \* Lack of Enthusiasm for Privatization Noted

93BA1050E Skopje NOVA MAKEDONIJA in  
Macedonian 15 May 93 p 14

[Article by Sonja Kiridzieska: "Plundered and Doomed To Lose"]

[Text] *Deeply mired in its agony that has lasted all too long, commerce is awaiting the serious test of privatization, having survived the complete "breakdown of the system." The culpability of the leading individuals screens the ambitions of those who encourage strikes in order to grab a bigger slice of the pie.*

Old Bernard Baruch, the official financial adviser to seven U.S. presidents, is supposed to have said that "commerce is a ship and not a racing car. Decisions to change direction and the type of sailing must be made on time. The signals must be clear, and the various maneuvers take time...."

It is no miracle that under the clouds of this as well as other unpublicized ideas and activities in "foreign trade," the private kayaks sailing on dangerous waters have shown greater skills compared to the big or small ships of public trade organizations. Deeply mired in an agony which has lasted too long to leave any material values, commerce is awaiting the serious test of the total transformation, having survived its own "system breakdown." Afraid of the past experience in "wild privatization," which made it possible for public capital to be transferred to private individuals, tired of its own problems of trade, employment, and unregulated competition, it is trying to find the strength to adapt to the newly developed circumstances. Even for many better prepared and stronger entities, this situation is too big a bite to swallow, the more so since it did not have strong state support in the battle against the "gray" trade.

#### Counterrevolution

It is unquestionable that the private entrepreneurs carried out a "counterrevolution" in trade. They made use to their own advantage of all the weaknesses of public trade and came out as unquestionably more liquid and solvent than the public organizations. All of this was also largely the result of the more inventive selection of goods, and greater flexibility in the new circumstances. Under the influence of such inventiveness, private retail trade in all urban centers quadrupled. The recruitment of capable cadres from the public sector, called damaging and immoral, was compensated by the fact that is quietly acknowledged or, at least, not denied, that the private merchants were able to improve the supply of the market and lower the prices of a

great variety of goods by no less than 10 to 20 percent. The private merchants meet requirements faster than public enterprises, and most frequently develop irregular relations with the public sector, which is an indication of corruption. In this case priority must be given to finding the culprits and to determining the reasons for "high treason" in the enterprises.

There is one thing on which everyone agrees. The only people who are working in this country, to a certain extent, are the merchants. This sector is precisely the last thread which holds the economy together. This is confirmed by the fact that by the end of last February there were 42,000 privately owned enterprises, some 26,000 of which were registered as commercial. The inescapable logical conclusion is that, that is where the money is. Everything would have been less harmful had the private sector concentrated exclusively on money. Now it is looking at business premises, threatening the systematic elimination of public trade. In this struggle there are no rules and everything is permitted, from open support to low blows, and from secret collaboration with people who share the same morality to the elimination of the incapable. All of this has brought public trade from a sector that earned tremendous amounts down to a state of abject poverty.

### The End Is Near

Taking all factors into consideration, public trade is, in itself, doomed to fail. The error was made at the very beginning of privatization, in the true meaning of this term. As long as this process was beginning to develop by breaking up the cumbersome systems, everything happening was useful. However, this was spoiled by the dissatisfaction of the workers and the growing fear of the future. This confused situation created a suitable atmosphere for increased strikes in commercial companies. From clearly being in good condition, enterprises such as Centro, Gostivarska Trgovija, Inkomer, Zempromet, Merkur Import, and many others dropped to the lowest possible level after the strikes. Blaming the leadership conceals the ambitions of those who promote the strikes and who, in the general plunder, were unwilling to remain without a piece of the pie. Applying a tried recipe, liquidation, all ways and means are being used to plunder as much as possible, leaving the future of a tremendous number of employees in uncertain hands. It is precisely this uncertainty about the future that made strikes in public commercial enterprises a last desperate attempt at postponing the end.

The culmination of the crisis is the announced sale of business premises, which the commercial system feels as a direct attack against it. Particularly fearing this are the bigger commercial houses that conduct their activities in rented business premises the true owners of which are now showing a sudden interest. This applies to 11,015 shops that provide a living to 31,785 workers. Public trade lacks the funds to purchase these premises, while the private entrepreneurs are displaying a great eagerness to become the new owners. Unofficially it is being

rumored that about 300 requests have been filed for some 50 stores in Skopje's trade center. Whether the private owners are interested in taking over the personnel, in addition to the stores, no one can (or wishes to) say.

In any case, the adaptation of trade to the requirement of contemporary market conditions is a process that cannot be stopped. The facts indicate that the cumbersome systems in this sector can no longer survive. However, in no way could we allow the public sector to be sacrificed for the sake of some higher objectives or for the simple reason that this would be to someone's benefit. It is easy to be successful with other people's money while ignoring other people's interests. Judging by the dissatisfaction that was expressed, the merchants (do not) wish privatization but not under provisions stipulated by others. Unfortunately, plundered and pressed against the wall, trade will either take or leave these conditions, for otherwise it would collapse.

### \* Minister Miljovski's Views on Privatization

93BA1095A Skopje NOVA MAKEDONIJA in  
Macedonian 28 May 93 p 3

[Speech by Minister Jane Miljovski: "Privatization With Developmental Goals"]

[Text] *"Our own path for privatization has the following elements: restructuring, reducing the danger of unemployment, and cushioning upheavals in the economy. There is no shareholding without money, which is a guarantee that deals will not fall through. We employ different methods of transformation for large, medium-sized, and small enterprises."*

"After so much, time, work, debate, discussion, after so many articles, we have nevertheless come to see this law get on the agenda for adoption. The joy that we are finally discussing this law is troubled by the awareness that judging by the multitude of amendments, I am no longer certain that we really will be able to finish this debate in a joyful mood, and with the awareness that we have legally provided a basis and direction for the country's most important reform," Minister Miljovski emphasized at the beginning of his speech.

"There is neither inflexibility nor stubbornness, nor even 'authorial narcissism' in our insistence upon the proposed concept. When the decision was made that we would prepare our own privatization law, a Macedonian privatization law, the main thing that we determined was that above all the law should achieve developmental goals, which, when they are achieved, should make it possible for all of our country's citizens to live more richly and better than in the past. We decided to incorporate in the privatization program elements that would shorten the restructuring process, elements that would reduce the danger of unemployment, elements that

would simply make it possible for this radical change to take place as painlessly as possible and with the smallest possible economic upheavals. Our proposal is based on the fact that we must not carry out a privatization in which enterprises will be closed en masse, in which they will lose their market, in which even higher unemployment will occur. We have high unemployment even without that. These are the principles that compelled us to approach privatization differently than most countries in Eastern Europe," Miljovski said.

#### There Is No Free Shareholding

"In the law on the transformation of enterprises with social capital in the Republic of Macedonia, we proceeded from the general truth that one cannot become a shareholder by force, by the decision of some body that will decide how much money people will set aside from their income to buy shares.

"Becoming a shareholder must be a personal decision by someone who thinks that it is better for him to invest his money in a certain enterprise than in a bank. It has to be a voluntary decision by every individual. In economics, it is completely clear how the desire to do something or buy something is expressed: through money. This is why we decided that privatization, as a general principle, should proceed from the principle that shares are bought. That principle, however, is not exclusively dictated by theoretical reasons. There are very practical reasons behind it.

#### Macedonian Type of Privatization

"Does our type of privatization differ from the others, and does it have to be that way? We can freely talk about a Macedonian type of privatization, at least according to what is proposed in the law. This special characteristic is not something for which we strove, but rather something that was imposed by simple consideration of the conditions in which privatization will take place in Macedonia. That means that our privatization has to be based on the experiences of countries in which privatization has already been carried out, whether they are developed or undeveloped countries. It has to be creatively consistent with our specific Macedonian conditions in order to be successful, however. A characteristic of our approach is identification of the dominant owner at every enterprise. It can be one or several people who will possess at least 51 percent of the enterprise's shares. In this way, we want to create conditions for efficient management of the enterprise. This solution increases efficiency in making economic decisions. Something else is also achieved by this approach, however. At the very beginning of the privatization process, it is known who the future owner is, and this prevents the plundering of the enterprise's property, a phenomenon that is typical of such processes in the transition from one type of society to another.

"A significant characteristic of our project is that there are different methods by which one enterprise can be

transformed. The law divides enterprises into small, medium-sized, and large ones, with different methods of transformation provided for each of these groups.

"In the discussions that were conducted on the previous text of the law," Miljovski emphasized, "it was mentioned very often that it did not take into account the fact that there was not enough capital in Macedonia to purchase enterprises. In this regard, many people did not notice that in taking into account the problem of the lack of capital in the Republic of Macedonia, we provided for a specific method of buying medium-sized and large enterprises. At medium-sized enterprises, management rights can be acquired if one buys at least 20 percent of the value of the shares, and at large enterprises, if one buys at least 10 percent of the value of the shares in the enterprise. Individuals who acquire majority management rights in this way, however, will have to offer a suitable program for developing the enterprise. Between the Agency and the individuals who take over management with a percentage lower than 51 percent, a sales contract is concluded, which specifies, among other things, the period within which at least one percent of the enterprise's shares have to be bought. That period cannot be longer than seven years. With this method of privatization, we wanted to achieve several results at once: to have the transformation carried out even though there is not enough capital in Macedonia; to have those individuals who have enough knowledge, courage, and ability to increase the enterprise's profitability participate in buying shares, even though they do not have enough capital to become dominant owners at once; to pay for the dominant part of the shares from the future profits in order to force enterprises to a high level of economic activity so that they can earn a higher profit. On the other hand, we wanted to minimize the danger of a dismissal of the existing work force; during the discussion of the draft law in this Assembly, fear was expressed that shares thus acquired could be misused to sell off the enterprise.

#### Equal Chances for Buying Shares

"The main thing is the following: We are trying to sell a control package of shares. Furthermore, all citizens of Macedonia have equal chances to buy shares. The sale of shares will be publicly announced. Under equal conditions, the enterprise's employees have priority in buying the shares (this especially applies to small enterprises).

"The law that we are proposing should have been adopted a year ago. Someone had an interest in postponing its adoption. It was all those who continued to pay for shares at their book value, with an unrealistic appraisal of the capital. The whole truth about the unnecessary postponement of this law lies in that interest. For a whole year, there was a discussion about whether it was necessary to audit privatization that had been carried out or not. We lost a whole year on something that would not be any problem at all in a law-governed state: monitoring legality. Now it already seems that that problem is not as pronounced as it was earlier, but now the focus is on 'the

small discounts,' 'why free shares are not being distributed,' 'whether those who will privatize with a small part of the purchased shares will misuse their opportunities,' etc. Will those who do it without payment be unable to misuse the opportunities available to them if they manage enterprises?

"If we do not start privatization immediately, we will all lose. I am convinced that there are people sitting in the Assembly to whom the good of the country is very important, and that is why I think that the appeal to accept this law will not be misunderstood," Minister Jane Miljovski said in conclusion.

[Box, p 3]

#### Shares Only in Exchange for Money

"Payment for shares, and not their free distribution, as some people are stubbornly demanding, is one of the key elements for putting Macedonia's citizens in an equal position. If one accepts the free distribution of shares only to those employed in enterprises going into privatization, all those who work at enterprises and institutions that are not going into privatization would be put in an unequal position, along with all citizens who do not work (the unemployed), or even those who have already formed their own enterprises. Likewise, all those who have been completely privatized to date and did not receive free shares would be put in an unequal position. I will mention just one example of how this is done in the world: All the funds that were collected from privatization in Hungary were used to pay the country's foreign debt. We do not have to be that strict, since every extremism is dangerous, even in this case, but what I want to emphasize is the connection between the debt and the property. The government simply wants to exchange social property for the debts that were incurred in order to create that wealth."

#### \* New Law on Foreign Trade Described

93BA1077B Skopje VECER in Macedonian 24 May 93  
p 3

[Article by Lj. Josifovska: "Paragraphs for an Open Market"]

[Text] *The Macedonian economy's opening to the influences of the world market and its simultaneous protection of domestic production are among the basic principles on which the new law is based; the authority of state bodies to determine the conditions for foreign trade operations has been reduced, but the penalties for operating in violation of regulations have been drastically increased.*

On Friday, with the publication of SLUZBEN VESNIK NA REPUBLIKA MAKEDONIJA No. 31, the new Law on Foreign Trade Operations went into effect, which should contribute to the construction of a modern and dynamic foreign trade based on economic criteria and on the principles of an open market economy that are in effect in the developed countries. Specifically, the determination

of significant socioeconomic changes, and Macedonia's independence, have made it necessary for foreign trade operations to be regulated at the republic level.

The new law is based on several basic principles—the larger and more rapid inclusion of enterprises and other legal persons in the international division of labor, the opening of the Macedonian economy to the influences of the world market and the simultaneous protection of domestic production, the independence of economic entities in making business decisions, and the direct inclusion of physical persons, especially engaged in production activity, with assets owned by the citizens.

#### Maximum Liberalization

According to the provisions of the new law, in the future all entities can engage in foreign trade with formally equal rights and obligations, since the same working conditions are prescribed for all possible types of firms. Thus, articles 2 and 3 say that foreign trade transactions and economic activities abroad can be conducted by enterprises and other legal persons that engage in economic activity as long as they are entered in the court registry, but only within the framework of their activity. Foreign trade activity, however, is conducted on the basis of contracts concluded in accordance with Macedonian regulations and international treaties and conventions. Without an entry in the court registry, only services can be provided to foreign persons in the republic, and abroad, enterprises can provide assembly services for equipment that they have exported.

The Law on Foreign Trade Operations also ensures maximum liberalization of the regime for distributing goods that can be imported freely, partly freely, or by means of permits, along with the unhindered registration of domestic firms for importing and exporting, deregulation of the administration's authority, etc. According to article 10, importing and exporting goods is free, but because of protection of domestic production and planned development, it is regulated by specifying quotas, the volume of which is set by the government according to a proposal from the competent bodies. Specific goods, however, can be exported and imported with a license when they involve international treaties, weapons and military equipment, historic works and works of art, and individual precious metals. The only thing banned is importing and transporting dangerous waste materials, and for physical persons, importing weapons, ammunition, explosives, and the corresponding intermediate components.

Long-term coproduction, barter transactions, serving as a middleman in foreign trade, and local border trade are still maintained as special forms of foreign trade operations. Likewise, the new law, among other things, also provides for more flexible application of cases in which goods can be exported and imported without charge for the equivalent value (article 46): if it is necessary for

quality testing, if it is used for advertisements, displays, designs, and technical documentation, for equipping representations, for humanitarian, scientific, cultural, health, and social purposes, assistance in the event of natural disasters, etc.

### Greater Rights for Citizens

In contrast to the reduction of the authority of the government and its bodies with respect to the rights to determine the conditions for foreign trade operations, and especially for their interference in the business of economic entities, the new law gives greater rights to physical persons, i.e., citizens, especially in importing automobiles and trucks. Thus, article 79 says that domestic and foreign physical persons can freely import (receive) and export (send out) personal baggage, objects for personal and family use, including new or old passenger cars up to three years old, as well as animals in a quantity not intended for sale. This also applies to inherited items, and to objects of historic, artistic, and cultural value with a permit from the competent administrative body.

In order to conduct their activity, citizens, in accordance with the registration, can import new automobiles and trucks or ones up to three and five years old, respectively, along with means of labor, intermediate products, spare parts, packaging, and used and advertising material. This also applies to people who have worked for at least two years abroad, or who have lived there at least four years for any reason, as well as to foreign persons who have received citizenship or asylum in our republic. Foreigners, however, who temporarily spend more than four years can import a temporarily imported passenger car before returning by paying customs duties and other taxes, and sell it.

The biggest innovation in the Law on Foreign Trade Operations is apparently the penalties that will be calculated in [monthly] wages. Specifically, for an economic violation enterprises will be fined from 100 to 250 wages if they are not registered for conducting this type of activity, or they conclude contracts outside of their activity without approval, if they import goods that do not meet the prescribed conditions for being marketed, and also if they engage in unfair competition in conducting foreign trade transactions, etc. For a violation that has been committed, however, enterprises will be fined by 35 to 100 wages, and physical domestic and foreign persons, from five to 15 wages. For those violating this law, a protective measure may be adopted of confiscating the items used for or intended to be used for committing the violation.

### \* Sanctions May Affect Cable Manufacturer

93BA1103C Skopje VECER in Macedonian 25 May 93  
p 20

[Article by M. Pasoevski: "Circuitous 'Spreading' of Losses"]

[Text] According to the cable factory in Negotino, the transportation of goods by circuitous ways will bring a monthly loss of about 150,000 German marks.

Negotino, 25 May—Last year, the 9 Maj Cable and Conduits Factory in Negotino achieved substantial production and financial results from marketing its goods, most of them exported. During the last three to four months this developing and promising organization also achieved remarkable results in exporting cables and conduits. The workers say that they carry out their tasks with a great deal of satisfaction. They earn good wages, paid twice monthly.

Now, however, with the introduction of the new Security Council resolution measures for the total embargo and isolation of the Federal Republic of Yugoslavia, both workers and management are concerned, for the contracts signed with foreign partners for exporting requested goods will require their transportation by roundabout ways. This means not only that the shipments will be delayed, but also that transportation services will cost a great deal more.

According to the annual plan, the people of that organization say, by the end of the year it is expected that 9,150 tons of cables and conduits will be exported. However, if the sanctions against Yugoslavia become will last a long time, in the case of some European countries, the deal will not be entirely fulfilled. This will have a negative impact on expected financial results.

Among others, Ilija Georgiev, director of the Negotino cable industry, informed us that the factory will be losing about 150,000 German marks monthly because of the economic sanctions against Serbia and Montenegro.

The blockade will also have a major impact on the operations of the Antigona Trans automotive transportation enterprise in Negotino. So far all the trucks have been used to capacity in hauling cables and conduits and other industrial goods to several European countries. In the future, the trucks will be forced to travel through Bulgaria, Romania, and Hungary, or through Albania, to get from Brach to Italy and Slovenia.

### \* Drug Industry Wants Protection From Competitors

93BA1103B Skopje NOVA MAKEDONIJA in  
Macedonian 25 May 93 p 3

[Article by E. Kamberova: "Foreign Drugs Are Flooding the Market"]

[Text] Macedonia has still not taken any steps or passed any laws to protect its domestic production. The people of Alkaloid are saying that they do not want privileges but only of reciprocal relationships with foreign producers.

When it becomes a question of drugs, the pharmaceutical houses of the former Yugoslav republics are still treated as domestic companies. The Macedonian market is the only one—naturally after Bosnia and Herzegovina, whose market, in general, does not exist—that to this day has taken no steps whatsoever to protect domestic production.

Unlike the previous single Yugoslav market, following the breakdown of Yugoslav all former Yugoslav republics have had their ministries manage this sector. Instead of having one authority for the registration and reregistration of pharmaceuticals, as was the situation in the past, now this must be done separately for each republic. The problems that appear as a result of the newly developed situation, naturally, are most strongly felt by Alkaloid, which is the biggest pharmaceutical house.

### Disappearing Markets

"Our market was the Yugoslav republics; to a lesser extent the former USSR, Czechoslovakia, Poland, Romania and Bulgaria and, occasionally, some Third World countries. In most of these countries, after the conditions changed, their health ministries took strict measures to protect their domestic producers and make the penetration of drugs from foreign pharmaceutical companies impossible," Dr. Edvard Simonovski, the head of the development sector, explained. Slovenia, for example, called for the registration of some drugs, which costs \$1,500. The reregistration requires of the producers to submit meaningless documents proving that they are pharmacological preparations, something that is not done anywhere else in the world. Also required are instructions and packaging to be written exclusively in Slovene. It is logical, according to Simonovski, that priority should be given to their own Krka and Lek companies. This procedure is, actually, a barrier blocking this market to foreign producers. A similar or even more drastic example is that of Croatia. In that country, to register a drug costs 2,500-3,000 German marks, an exceptionally high price. Furthermore, in order to import drugs that are also produced domestically, customs fees range from 17 to 22 percent, which is quite high, for the fees thus paid actually increase production costs. In order to market a drug in Croatia, the instruction and labeling must be written in literary Croatian language, which is different from today's Serbo-Croat. I believe, Simonovski says, that even in Croatia few people can speak that language. The Croatian government is asking that 66 percent of already commissioned drugs be "forgotten and forgiven." This means that payments are exceptionally bad or uncertain. It is thus that Croatia has entirely disappeared as a market for foreign producers. The problem with the market in the Federal Republic of Yugoslavia is mainly that of its high daily inflation of about four percent. However, the latest resolution on penalties totally blocks trade in drugs unless they are supplied as humanitarian aid.

### Uncertain Marketing

At the time that the USSR broke up, it had ordered from Alkaloid drugs worth about \$4 million, a sum that, to this day, has not been paid. It is very difficult to reconquer this market, for Western European producers are given priority. Furthermore, drug registration prices are enormously high, and even if they are paid, this is no guarantee whatsoever that such goods can be sold, according to Simonovski. The marketing of goods to Poland and Czechia is on virtually the same level as it was two to three years ago. However, the uncertainty of any further cooperation with those countries

is also present. Trade with Bulgaria was started some three years ago, he said, but our latest request to register three drugs was rejected, claiming that a sufficient number of similar drugs had already been registered. According to people familiar with such problems, this is nonsense, for so far the rule has always been to register all drugs and then to choose among drugs on the basis of their quality and cost. The refusal of the request can be interpreted only as a policy for the protection of domestic production. As to Romania, the marketing in that country is totally insecure. The leadership is corrupt and, in addition to the legal registration fee, in order to be accepted, the chairman of the respective commission must be paid another \$3,000.

### What Humanitarian Aid?

In the Republic, although we are the biggest pharmaceutical company, we have no privileges, the people of Alkaloid claim. On the contrary, every day we must supply as humanitarian aid drugs in large quantities, taken from the factory's storage facilities. The latest example of this nature, according to Trajee Mukaetov, the general director of Alkaloid, was the recent supply of Gentamycin and Diazepam from Krka, through the Soros Foundation. These drugs duplicate those produced by Alkaloid and have cost millions of U.S. dollars.

It happens, Venko Temelkovski, the marketing director, added, that we have new preparations as ordered by the Ministry of Health and have negative results from their sale. Instead of expressing its gratitude, the ministry imports the same type drugs. Alkaloid has packed stores with drugs. It could empty them and give the drugs away for free, but what happens then? The factory will fail and the humanitarian aid that is now steadily contributed will come to an end. This requires long-term thinking. Alkaloid is a major entity within the Macedonian health system and a certain share of its profits is now invested in its revitalization (debts in the healthcare system amounts to about five million German marks). A percentage goes to sponsoring various scientific works, seminars, and medical congresses, and part of the funds are invested in the development of Alkaloid, according to Mukaetov. For that reason, the health system does not dare turn its back to a pharmaceutical house such as Alkaloid, any more than Alkaloid has the intention of abandoning the Macedonian market. We are being told that our drugs are expensive. I say that this is inaccurate. Temelkovski thinks the same way. He believes that if the Republic were to ask for tenders (something like an auction) we believe that Alkaloid would offer the best possible conditions in terms of quality and cost. For the time being, Macedonia's policy is one of anarchy in the health system.

### No Rules

That such is the case is confirmed by the fact that the Republic has still not passed a law on the marketing of drugs and, in its absence, we continue to work according to the former federal law. This, we can truly say, means that, in general, the sale of drugs is unregulated. Furthermore, in

general, no reregistration of drugs, as required by the other countries, has been organized. Yet it is only on the basis of reregistration that the Macedonian health system would be able to earn funds in amounts not to be underestimated, especially under conditions in which the cash register of the health funds is empty, according to Simonovski, the director in charge of development. Let the registration of a drug not exceed \$1,000. If we consider the amount of drugs produced abroad that are being sold in Macedonia, the amount of money in question will become clear. The market is also left unprotected by the very fact that import permits are not selective, so that anyone could import any drugs he wants without paying customs fees. Furthermore, to this day our Ministry of Health has not requested any change in the labeling. Drugs are being imported, with labeling and instructions written in a great number of languages. In the absence of a new state law, however, Alkaloid is mandated to inscribe the packaging and instructions of its own drugs in the languages of the nations and ethnic groups of the Federal Republic of Yugoslavia, according to the federal law. This is absurd!

This makes clear the chaos which exists in our country in drug production. Unquestionably, cooperation between Alkaloid and the Ministry of Health is unsatisfactory. The people of this big pharmaceutical house are appealing for settling relations, pointing out that the consequences of the current anarchic situation will become particularly apparent in about six months, when humanitarian shipments will become increasingly rare. They claim that they do not wish to be given groundless privileges, although this may be practiced by all other countries. However, they ask of the state to institute reciprocal measures with the pharmaceutical companies abroad. In the present situation, they say, Macedonia is a free shop for drug producers. Who benefits from this?

#### \* Serbian, Bulgarian Black Marketeers Cause Problems

93BA1103D Skopje VECER in Macedonian 26 May 93  
p 10

[Article by B. Trpenoska: "Work and Fistfights"]

[Text] Although the "Skopje market" is being fenced, the local residents claim that this is precisely the cause of this entire situation. The initiative committee of the local residents has asked the competent authorities for help. So far, they have been met with nothing but lack of coordination. Fights have become a structural aspect of market life.

The battle for "cleaning out" Serbian and Bulgarian black marketeers from the Zelenoto Pazarce market, recently initiated by the residents of surrounding buildings, is continuing. The initiative committee of the local residents has sent reports to the chairman of the township center, the Republic Assembly, and the MVR [Ministry of Internal Affairs], and established contacts with the sanitation and market inspectorate, and the town mayor; recently, several of its representatives visited the editorial premises of VECER.

"You cannot imagine what is happening at the market. Vendors from Serbia come most frequently in the evening, at around 2200 hours. They sleep in entryways, build fires to warm themselves and, sometimes stay for two to three days. Furthermore, instead of using the toilets at the market, they use the entrance halls and elevators. Such stench and shouts are no longer tolerable," complained Mihajlo Gligorov, one of the members of the initiative committee. "Furthermore," he added, "prostitution has appeared and I have found a wallet on several occasion in my post office box. I would imagine that it had been stolen."

#### Ideal Conditions for Black-Marketeering

Gligorov's statement was supported by his neighbor Petar Trajkov, who was angry at the fact that the little market is becoming more and more crowded every day because of the numerous resellers. According to him, there was even a rumor that black marketeers are preparing to come over from Albania, having heard that there is this Zelenoto Pazarce market in Skopje where ideal conditions for their activities exist.

According to Trajkov, "What is happening on the little market is a real mistreatment of everyone, not only customers but sellers who since early morning try to find a better place. The worst problem is that the stands have been purchased in advance, so that whenever the larger quantities of fresh vegetables and fruits, the season for which is beginning, will arrive, there will be no place to put them, for the stands will be crowded with various goods that should not be sold here. We (the local residents in the neighboring buildings—editors) would like the market to remain 'green,' as was stipulated in its opening, and not to be used to sell everything, and squeezing out all farm produce. Feeling crowded in the market, the resellers have begun to move toward Automakedonija and the parliament building. Furthermore, the request for public facilities at the market has been ignored. Every day several thousand people come here and there are no sanitary facilities. The toilets at the market are left unused, for everything around them smells of ammonia."

#### Outside the Circle

According to the local residents in the surrounding buildings (700 families live in the immediate vicinity of the market, and as many as 3,000 around it), the main culprit for this is the Skopje Market Organization. According to them, that organization does not dare to make decisions. It is particularly blamed for the disturbances outside the stands. According to Dimitar Macev, the deputy general director, whatever happens outside the market is not within their jurisdiction. The local residents, however, believe that without the connivance of the Skopje Market Organization the present situation would not have developed. They claim that the Skopje Market charges for stands to resellers outside the market as well, so that even if it wants to, the MVR cannot chase them away, for they can prove that they have paid the fee

for their activities. The statement by the office of that enterprise that they are no longer charging fees has not convinced the revolted citizens, who believe that the Skopje Market earns so much from resellers that there is no chance that it will give up such profits. According to them, this statement is merely an attempt to calm the spirits and that it is most likely that the old practice will continue.

The revolt of the citizens was intensified by the recent expansion of the market after the fence was moved, thus usurping the use of the alley earmarked for the delivery of goods to the market and to the surrounding shops.

"Skopje Market had no right to do this without a building permit, for which reason it was told to put the fence back. As far as I know, this was done," said Dane Andreevski, deputy chairman of the city's Urban Development Committee.

However, according to the local residents, the fence has been moved several times by them and by the sellers, and fistfights have been used in persuading the other side.

"Wherever we have turned for support and understanding, we have gained the impression that the authorities are uncoordinated and incapable of doing anything. Nonetheless, we shall not give up until we bring some kind of order to the market," Gligorov said.

The battle of the residents for their rights is continuing. The outcome remains to be seen....

#### \* Loss of Yugoslav Market for Tobacco

93BA1095C Skopje NOVA MAKEDONIJA in  
Macedonian 27 May 93 pp 1, 3

[Article by B. Dicevska: "48,000 Tons of Cured Tobacco To Be Purchased"]

[Text] *Tobacco enterprises are asking the Directorate of Republic Commodity Reserves to purchase 20 percent of the total production of cured tobacco from last year's harvest, the value of which amounts to \$16 million.*

Tobacco enterprises are asking the state to purchase 48,000 tons of cured tobacco, which represents 20 percent of last year's harvest. The value of this amount is \$16 million, but payment is to be made in the denar equivalent. More precisely, the direct purchaser of these amounts is to be the Directorate of Republic Commodity Reserves, and it is insisted that particular consideration be given to the proportional participation of the tobacco enterprises in producing the cured tobacco, as well as complete adherence to the current prices in effect on the world market for a certain quality, with the equivalent value expressed in denars.

The tobacco enterprises are thus committing themselves to keep and take care of the purchased tobacco until its sale, and they emphasize that they will not request any difference in the price if it is much higher later on than the one paid during the implementation of the purchase.

As stated at yesterday's meeting of the Tobacco Industry Association at the Macedonian Chamber of Commerce, the tobacco enterprises are insisting on this kind of state intervention in order to alleviate the problems from the blockades that are having an extremely negative effect on this industry's overall performance. During these months of the year, the tobacco industry has been working in considerably more difficult conditions, which is one of the reasons why 1,200 workers went on forced furloughs during April. Above all, it is because of the closure of the former Yugoslav market and the increased difficulty of marketing cured tobacco and cigarettes, which is complicated even more by the blockade of the Federal Republic of Yugoslavia, by the more difficult and expensive transportation to Croatia and Slovenia, the treatment of our cigarettes in those areas as imported ones and their taxation at the highest rate, from 76 to 85 percent, etc.

According to data from Makedonijatabak, so far this year about 2,000 tons of tobacco have been sold for export outside the former Yugoslav markets, valued at \$9.9 million, or the denar equivalent of 198 million denars. During the same period, another 1,085 tons of tobacco were sold to factories in the Republic of Macedonia, and 927 tons to other factories in the former Yugoslavia. The total sales of cured tobacco amount to 3,967 tons, which is 60 percent less than last year. The situation with cigarette sales is similar, and thus only 2,739 tons of cigarettes were sold, of which 972 tons were in the Republic of Macedonia, 437 tons were sold for export, and 1,320 tons were sold for other republics in the former Yugoslavia. That means that the average sales of cigarettes amount to 685 tons a month, which is 35 percent less than planned, or 45.5 percent less than the amounts sold last year.

Nevertheless, the most serious problem is the large obligations for interest on the funds used to purchase last year's harvest. In return for the 933 million denars used, through this month the tobacco industry has to pay the banks interest in the amount of 811 million denars, i.e., for every kilogram it is necessary to pay 35.60 denars in interest, which is not small if one considers that the average purchase price was 29.44 denars for a kilogram of tobacco. This is exhausting the tobacco industry's financial capabilities even further, and thus during this period when intensive work is being done on this year's production, the tobacco industry cannot even intervene by advance payment, or by any other assistance for individual producers. It will not be unusual at all if the purchase is not even started on time, unless interventionary measures are undertaken.

**\* Status, Role of Refugees From Aegean Macedonia**

93BA1104A Skopje PULS in Macedonian 28 May 93 p 13

[Article by Vanjo Hadziev: "The Aegeans and the Macedonian-Greek Negotiations. The Basis on Which the 'Aegeans' Can Influence Macedonian-Greek Relations"]

[Text] Among the fundamental and strategic issues in the negotiations between Macedonia and Greece, at the very beginning appropriate treatment will have to be given to the population of Macedonian citizens originating from the Greek (Aegean) part of Macedonia, commonly called "Aegeans." This is a population (category) of Macedonians which was forced during the 20th century, primarily because of national-political reasons and in dramatic conditions, to abandon their homes, and which consists of about 400,000 people in Macedonia today. That is close to a third of the Macedonian population in the republic, which is very respectable. Although this population, which is significant in size, is an organic part of the Macedonian nation, it objectively maintains strong ties (families, acquaintances, friends, traditions) with the area that it comes from. For that reason, this population is being linked with the most sensitive issue in Greek-Macedonian relations, the issue of the Macedonian minority in Greece.

The Republic of Greece has adopted many legal acts, public and secret, against these "Aegeans": revocation of citizenship, a ban on repatriation, confiscation of property, and denial of other material rights. Official Greece is not satisfied with this. It has even more perfidious plans. An official document from the Greek Foreign Ministry, entitled "Aegeans in the Republic of Macedonia," claims that they have served as an instrument of Skopje.

During the time of the SFRY the official policy, under the conditions of bloc confrontations, allowed itself to manipulate and use the "Aegeans" as an instrument in relations with neighboring Greece. Furthermore, it was precisely the "Aegeans" who got the short end of the stick.

Because of the above-mentioned circumstances, the hysterical cries from malicious and frustrated individuals in the Republic of Macedonia (from Macedonian national circles), who are categorically and slanderously creating a climate for suspicion and intolerance toward the "Aegeans" as allegedly the main culprits behind strained Macedonian-Greek relations, seem hypocritical.

Although the "Aegeans" are not a party to the negotiations, they nevertheless can and should have active participation and influence upon the formation of Macedonian-Greek relations on the following basis:

- The Aegean population cannot be either more Macedonian or more patriotic than other Macedonians and patriots.
- As Macedonians with equal rights, they openly represent their specific interests, taking into account general state priorities.
- The "Aegeans" are the ones most interested in lasting good-neighborly relations between Macedonia and Greece. They can have the ambition of not being an apple of discord, but rather a true bridge for rapprochement between the two countries and peoples.
- Although we are genetically and spiritually part of our relatives in Greece, the "Aegeans" nevertheless do not want to and cannot interfere in Greece's internal affairs, especially in the imposition or erasure of national minorities. They think that the national identity of their relatives in Greece is exclusively their right, which they will resolve within the framework of the Greek state's institutions and international norms.
- It is irritating when the "Aegeans" push ahead of others, adopting a hasty and unfortunately wrong position on general and fundamental state issues (the flag, the seal, the name, care for refugees, etc.).
- Like the vast majority of the Macedonian population, the Aegean population approves of the general policy conducted by the Republic of Macedonia, and especially the orientation in Macedonian-Greek relations.

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